RIO TINTO PLC
Form 20-F
March 26, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 20-F

(Mark One)

Registration statement pursuant to Section 12 (b) or 12(g) of the Securities Exchange Act of 1934
or

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the financial year ended: 31 December 2003

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from: _________ to _________

Commission file number: 1-10533	Commission file number: 0-20122
Rio Tinto plc	**Rio Tinto Limited**
(Exact name of Registrant as specified in its charter)	(Exact name of Registrant as specified in its charter)
England and Wales	**Victoria, Australia**
(Jurisdiction of incorporation or organisation)	(Jurisdiction of incorporation or organisation)
6 St James's Square **London, SW1Y 4LD, England**	**Level 33, 55 Collins Street** **Melbourne, Victoria 3001, Australia**
(Address of principal executive offices)	(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered	Name of each exchange on which registered	Title of each class
American Depositary Shares*	New York Stock Exchange		None
Ordinary Shares of 10p each**	New York Stock Exchange		

* Evidenced by American Depository Receipts. Each American Depository Share Represents four Rio Tinto plc Ordinary Shares of 10p each.

** Not for trading, but only in connection with the listing of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Title of each class	Title of each class
None	American Depositary Shares*** Ordinary Shares

*** Evidenced by American Depository Receipts. Each American Depository Share represents four Rio Tinto Limited Ordinary Shares.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None	None

Indicate the number of outstanding shares of each of the Issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Title of each class	Number	Number	Title of each class
Ordinary Shares of 10p each	1,066,674,301	499,058,420	Shares
DLC Dividend Share of 10p	1	1	DLC Dividend Share
Special Voting Share of 10p	1	1	Special Voting Share

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days:

Yes No

Indicate by check mark which financial statement item the Registrants have elected to follow:

Item 17 Item 18

Back to Contents

EXPLANATORY NOTE

The Rio Tinto Group is a leading international mining group, combining Rio Tinto plc and Rio Tinto Limited in a dual listed companies ('DLC') merger that has created a single economic enterprise, nevertheless both companies remain separate legal entities with separate share listings and registrars, and with separate ADR programmes.

Rio Tinto plc and Rio Tinto Limited prepare annual reports and financial statements for the combined group that are presented to their shareholders as their consolidated accounts in accordance with both United Kingdom and Australian legislation and regulations. The current such document is the 2003 Annual report and financial statements and is referred to in this annual report on Form 20-F as the "2003 Annual report". They also prepare combined annual reports on Form 20-F that are filed with the SEC in accordance with United States legislation and regulations.

The following have been filed as part of this annual report on Form 20-F:

- The 2003 Annual report, as modified for purposes of filing with this annual report on Form 20-F. Data included on pages 22 to 24 of the 2003 Annual report relating to mineral resources in compliance with the requirements of the Australian Stock Exchange has been intentionally omitted from this annual report on Form 20-F because it conflicts with the requirements of SEC Industry Guide 7. Also included on pages 81 to 133 of the 2003 Annual report are the financial statements of the Rio Tinto Group formed through the DLC merger. These financial statements have been prepared in accordance with UK GAAP that recognises the DLC merger as a merger of economic interests and in order to present a true and fair view of the Rio Tinto Group the principles of merger accounting have been adopted in accordance with FRS 6. The Profit and loss account and the Audit report on pages 82 and 135 respectively of the 2003 Annual report are not in accordance with the SEC rules and so replacement pages have been substituted. The replacement page 82 also includes a condensed income statement in the format prescribed by the SEC but does not change the reported state of affairs of the Rio Tinto Group or of its profit and cash flows.
- The 2003 Annual report Appendix. For purposes of this annual report on Form 20-F the separate consolidated financial statements of the Rio Tinto plc and Rio Tinto Limited parts of the Group, prepared on the basis of the legal ownership of the various operations within each part of the Group, have been presented in the 2003 Annual report Appendix. However, the DLC merger of Rio Tinto plc and Rio Tinto Limited has the effect of placing the shareholders of each company in substantially the same position as if they held shares in a single economic enterprise and therefore the directors consider that the combined financial statements of the Rio Tinto Group provide shareholders with the most meaningful representation of the state of affairs and of the profit and cash flows.

Only (i) the information that has been referenced in the answers to the Items of this annual report on Form 20-F, and (ii) the Exhibits, shall be deemed to be filed with the Securities and Exchange Commission for any purpose, including incorporation by reference into any documents filed by Rio Tinto plc, Rio Tinto Limited or Rio Tinto Finance (USA) Limited pursuant to the Securities Act of 1933, as amended, which purport to incorporate by reference this annual report on Form 20-F. Any information herein which is not referenced in the answers to the Items of this annual report on Form 20-F, or the Exhibits themselves, shall not be deemed to be so incorporated by reference.

The information contained in the 2003 Annual report and the 2003 Annual report Appendix has not materially changed since 20 February 2004, but see Item 8 for a discussion of a post balance sheet event.

Back to Contents

TABLE OF CONTENTS

Back to Contents

RIO TINTO

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Selected consolidated financial data

The following selected consolidated financial data has been derived from the consolidated financial statements of the Rio Tinto Group presented elsewhere herein, restated where appropriate to accord with the current accounting policies and presentations. The selected consolidated financial data should be read in conjunction with, and qualified in their entirety by reference to, the consolidated financial statements and notes thereto included elsewhere in this annual report on Form 20-F.

The consolidated financial statements are prepared in accordance with UK GAAP which differs in certain respects from US GAAP. Details of the principal differences between UK GAAP and US GAAP are set out on pages 137 to 147 of the 2003 Annual report and in note 42 on pages A-59 to A-74 of the 2003 Annual report Appendix.

Rio Tinto Group

Income Statement Data For the years ending 31 December Amounts in accordance with UK GAAP (US$ millions)	**2003**	**2002**	**2001**	**2000**	**1999**
Consolidated turnover	9,228	8,443	8,152	7,875	7,197
Group operating profit (a)	1,496	831	1,562	2,188	1,631
Net earnings (a)	1,508	651	1,079	1,507	1,282
Group operating profit per share (US cents)	108.6	60.3	113.6	159.4	119.1
Earnings per share (US cents)	109.5	47.3	78.5	109.8	93.6
Dividends per share (US cents) (b)	64.0	60.0	59.0	57.5	55.0
Dividends per share (pence) (b)	37.13	37.47	41.68	38.87	34.23
Dividends per share (Australian cents) (b)	89.70	105.93	115.27	102.44	87.11
Weighted average number of shares (millions) (b)	1,378	1,377	1,375	1,373	1,370

Diluted earnings per share figures are 0.2 US cents lower than the basic earnings per share figures shown for 2003 and 2001, and approximately 0.1 US cents lower than the basic earnings per share figures for 2002 and other years.

Amounts in accordance with US GAAP (US$ millions)					
Consolidated turnover (c)	9,211	8,447	8,157	7,859	7,197
Group operating profit (e) (g)	1,041	746	1,821	1,948	1,407
Net earnings (e)	1,977	581	1,038	1,174	958
Group operating profit per share (US cents) (e) (g)	75.5	54.2	132.4	141.9	102.7
Earnings per share (US cents) (e)	143.5	42.2	75.5	85.5	69.9

Diluted earnings per share figures are 0.2 US cents lower than the basic earnings per share figures for 2003 and, approximately 0.1 US cents lower than the basic earnings per share figures for other years.

Balance Sheet Data at 31 December Amounts in accordance with UK GAAP (US$ millions)	**2003**	**2002**	**2001**	**2000**	**1999**
Total assets (e)	24,081	20,204	19,540	19,367	15,533
Share capital / premium	2,869	2,580	2,486	2,535	2,784
Shareholders' funds (net assets) (e)	10,037	7,462	7,043	7,211	6,963
Amounts in accordance with US GAAP (US$ millions)					
Total assets	26,959	22,600	22,102	21,530	17,469
Share capital / premium	2,869	2,580	2,486	2,535	2,784
Shareholders' funds (net assets) (e)	12,044	9,517	9,571	9,812	9,928

Back to Contents

Rio Tinto plc part of Rio Tinto Group

Income Statement Data for the years ending 31 December Amounts in accordance with UK GAAP (US$ millions)	**2003**	**2002**	**2001**	**2000**	**1999**
Consolidated turnover	4,032	3,929	3,723	3,993	4,016
Group operating profit (a)	368	(19)	137	915	779
Net earnings (a)	956	195	491	1,064	970
Group operating profit per share (US cents)	34.5	(1.8)	12.9	86.0	73.4
Earnings per share (US cents)	89.7	18.3	46.1	100.1	91.4
Dividends per share (US cents) (b)	64.0	60.0	59.0	57.5	55.0
Dividends per share (pence) (b)	37.13	37.47	41.68	38.87	34.23
Weighted average number of shares (millions) (b)	1,066	1,065	1,064	1,063	1,061

Diluted earnings per share figures are approximately 0.1 US cents lower than the basic earnings per share figures for all years.

Amounts in accordance with US GAAP (US$ millions)					
Consolidated turnover (c)	4,012	3,929	3,727	3,982	4,016
Group operating profit (e) (g)	(7)	(481)	548	747	594
Net earnings (e)	949	(206)	618	820	669
Group operating profit per share (US cents) (e) (g)	(0.7)	(45.2)	51.5	70.2	56.0
Earnings per share (US cents) (e)	89.0	(19.3)	58.1	77.1	63.1

Diluted earnings per share figures are approximately 0.1 US cents lower than the basic earnings per share figures for all years.

Balance Sheet Data at 31 December Amounts in accordance with UK GAAP (US$ millions)	**2003**	**2002**	**2001**	**2000**	**1999**
Total assets (e)	13,708	12,606	11,921	11,948	11,390
Share capital / premium	1,784	1,764	1,754	1,741	1,882
Shareholders’ funds (net assets) (e)	7,343	5,899	5,902	6,325	5,558

Amounts in accordance with US GAAP (US$ millions)					
Total assets	15,180	13,941	13,735	13,557	13,408
Share capital / premium	1,784	1,764	1,754	1,741	1,882
Shareholders’ funds (net assets) (e)	8,931	7,697	8,371	8,693	8,222

Rio Tinto Limited part of Rio Tinto Group

Income Statement Data for the years ending 31 December Amounts in accordance with UK GAAP (US$ millions)	**2003**	**2002**	**2001**	**2000**	**1999**
Consolidated turnover	5,196	4,514	4,429	3,882	3,181
Group operating profit (a)	1,128	855	1,425	1,273	852
Net earnings (a)	884	736	942	771	606
Group operating profit per share (US cents)	226.1	171.3	286.1	235.7	141.8
Earnings per share (US cents)	177.2	147.6	189.0	142.8	100.8
Dividends per share (US cents) (b)	64.0	60.0	59.0	57.5	55.0
Dividends per share (Australian cents) (b)	89.70	105.93	115.27	102.44	87.11
Weighted average number of shares (millions) (b)	499	499	498	540	601

Diluted earnings per share figures are approximately 0.1 US cents lower than the basic earnings per share figures for all years.

Amounts in accordance with US GAAP (US$ millions)					
Consolidated turnover (c)	5,199	4,518	4,430	3,873	3,181
Group operating profit (e) (g)	1,048	1,231	1,273	1,201	813
Net earnings (e)	1,647	1,267	671	614	562
Group operating profit per share (US cents) (e) (g)	210.0	246.7	255.6	222.4	135.3
Earnings per share (US cents) (e)	330.1	254.0	134.6	113.9	93.5

Diluted earnings per share figures are approximately 0.1 US cents lower than the basic earnings per share figures for all years.

Back to Contents

Balance Sheet Data at 31 December Amounts in accordance with UK GAAP (US$ millions)	**2003**	**2002**	**2001**	**2000**	**1999**
Total assets (e)	13,542	10,382	9,977	9,542	5,743
Share capital / premium	1,280	964	865	939	1,276
Shareholders' funds (net assets) (e) (f)	4,324	2,510	1,828	1,420	2,669
Amounts in accordance with US GAAP (US$ millions)					
Total assets	15,234	11,609	10,770	10,236	6,021
Share capital / premium	1,280	964	865	939	1,276
Shareholders' funds (net assets) (e)	4,996	2,922	1,920	1,795	3,233

(a) In 2003 Rio Tinto Group net earnings under UK GAAP are stated after exceptional gains totalling US$126 million which arose on the sale of certain operations by Rio Tinto Limited.
In 2002 Rio Tinto Group operating profit under UK GAAP is stated after charging US$962 million for asset write downs, of which US$529 million relates to Rio Tinto plc and US$433 million relates to Rio Tinto Limited. In addition, group operating profit for 2002 includes US$116 million for environmental remediation charges which all relate to Rio Tinto plc. In 2002 net earnings for the Rio Tinto Group include US$763 million for asset write downs of which US$623 million relates to Rio Tinto plc and US$225 million relates to Rio Tinto Limited. In addition the Group’s net earnings for 2002 include US$116 million for environmental remediation charges which all relate to Rio Tinto plc.
In 2001 Rio Tinto Group operating profit under UK GAAP is stated after charging US$715 million for exceptional asset write downs, of which US$644 million relates to Rio Tinto plc and US$71 million relates to Rio Tinto Limited. In 2001 Rio Tinto Group net earnings under UK GAAP are after charges of US$583 million for asset write downs of which US$551 million relates to Rio Tinto plc and US$52 million relates to Rio Tinto Limited.
Under UK GAAP asset write downs and the environmental remediation charges are classified as ‘exceptional' but none of these items would be classified as ‘extraordinary’ items under US GAAP.
(b) These figures are the same under both UK and US GAAP.
(c) A cumulative adjustment was made in 2000 to reflect the application of Staff Accounting Bulletin No. 101 (‘SAB101’) Revenue recognition in financial statements. The effect of SAB 101 is described on page A-62.
(d) The results for all years relate wholly to continuing operations.
(e) Total assets and shareholders’ funds under UK GAAP have been restated for all years to reflect the implementation of FRS 19 Deferred Tax. The application of FRS 19 did not impact significantly on net earnings and, accordingly, net earnings have not been restated. 2001 and 2000 Rio Tinto Group, Rio Tinto plc and Rio Tinto Limited operating profit, net earnings and shareholders’ funds under US GAAP have been restated for prior years to reflect the implementation of FAS 123 Accounting for Stock Based Compensation in 2002.
(f) The decrease in Rio Tinto Limited shareholders’ funds in 2000 reflects the buy back of 91,000,000 shares from Rio Tinto plc in that year.
(g) Under US GAAP the impact of exchange differences on US dollar debt and the mark to market of certain derivative contracts are excluded from operating profit but are included in net earnings. 1999-2002 Group operating profit and Group operating profit per share figures under US GAAP have been restated to reflect this.

Risk factors

Risk factors have been discussed on page 7 of the 2003 Annual report.

Back to Contents

Cautionary statement about forward looking statements

To come within the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, Rio Tinto is providing the following cautionary statement:

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of the Rio Tinto Group. The words “intend”, “aim”, “project”, “anticipate”, “estimate”, “plan”, “beli “expects”, “may”, “should”, “will”, or similar expressions, commonly identify such forward looking statements. Examples of forward looking statements in this annual report on Form 20-F include those regarding estimated reserves, anticipated production or construction commencement dates, costs, outputs and productive lives of assets or similar factors. Forward looking statements involve known and unknown risks, uncertainties, assumptions and other factors set forth in this document that are beyond the Group’s control. For example, future reserves will be based in part on market prices that may vary significantly from current levels. These may materially affect the timing and feasibility of particular developments. Other factors include the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, and activities by governmental authorities, such as changes in taxation or regulation, and political uncertainty.

In light of these risks, uncertainties and assumptions, actual results could be materially different from any future results expressed or implied by these forward looking statements. The Group does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information or future events. The Group cannot guarantee that its forward looking statements will not differ materially from actual results.

Item 4. Information on the Company

Information on the Rio Tinto Group has been set out on pages 9 to 21 and on pages 25 to 31 of the 2003 Annual report and in notes 26 and 27 on pages A-34 to A-38 in the 2003 Annual report Appendix. The disclosures in connection with ore reserves are supplemented with alternative estimates for purposes of US reporting on page 147 of the 2003 Annual report and which has been repeated on page A-75 in the 2003 Annual report Appendix. A description of Rio Tinto’s dual listed companies structure has been set out on pages 77 to 79 of the 2003 Annual report and its principal subsidiaries have been listed in note 31 on page 118 of the 2003 Annual report.

Item 5. Operating and Financial Review and Prospects

Individual listed company information: Rio Tinto plc and Rio Tinto Limited parts of Rio Tinto Group

In December 1995 the shareholders of Rio Tinto plc and Rio Tinto Limited approved the terms of a dual listed companies (‘DLC’) merger that was designed to place the shareholders of both companies in substantially the same position as if they held shares in a single enterprise. UK GAAP recognises the DLC merger as a combination of economic interests and in order to present a true and fair view of the Rio Tinto Group the principles of merger accounting have been adopted in accordance with FRS 6. Accordingly, the Rio Tinto Group’s Operating and Financial Review and Prospects have been presented on a combined basis on pages 32 to 56 in the 2003 Annual report. Set out below is a separate discussion and analysis relating to each of the Rio Tinto plc and Rio Tinto Limited parts of the Rio Tinto Group.

Rio Tinto plc part of Rio Tinto Group

2003 compared with 2002

Rio Tinto plc's net sales revenue (referred to as consolidated turnover in the financial statements) was US$4,032 million (2002: US$3,929 million). The three per cent increase in 2003 is largely due to the commencement of sales at Diavik.

Profit on ordinary activities before interest and tax was US$1,512 million. The corresponding figure for 2002 was US$602 million lower, but suffered from exceptional charges of US$755 million. Iron and Titanium profits were lower in 2003 as a result of the weak US dollar, soft market conditions and the write down of a customer receivable. The pretax profit impact of reduced volumes at Kennecott Utah Copper was partly offset by benefits from higher copper prices. A loss at Rössing reflected lower prices and adverse exchange rates. 2003 profits also suffered from increased pension finance costs, resulting from the decrease in fund asset values. However, profits benefited in 2003 from Diavik's first year of operation; and there was an increase in operating profit contributed by joint ventures following expansion of capacity at Escondida.

In 2003, net interest payable decreased to US$138 million (2002: US$156 million), as a result of lower net debt and the reduced interest rates. Interest rates for the majority of Rio Tinto plc's borrowings are based on 3 month LIBOR, which averaged 1.2 per cent in 2003 and 1.8 per cent in 2002.

The effective tax rate was 26.1 per cent in 2003. The reduction from the 2002 tax rate of 61.8 per cent is largely due to the effect of exceptional items. Excluding these, the tax rate in 2003, at 27.1 per cent is lower than the 30.7 per cent for 2002 as a result of lower tax payments in the US. The 2003 exceptional gain of US$47 million attracted no tax charge. In 2002 tax relief recognised on the exceptional losses of US$755 million was US$9 million.

Net earnings of US$956 million compare with US$195 million in 2002. The increase of US$761 million includes the effect of exceptional charges of US$739 million, in 2002, in contrast with gains of US$47 million in 2003.

Back to Contents

Total cash flow from operations was US$1,710 million (2002: US$1,976 million). Although 2003 operating profit was higher than in 2002, this largely resulted from the influence of exceptional non-cash charges.

Capital expenditure and financial investment in 2003 was US$1,097 million (2002: US$1,205 million). The decrease was largely due to:

- An increase in net funds advanced to Rio Tinto plc by Rio Tinto Limited of US$5 million (2002: decrease of US$87 million).
- A reduction in the purchase of property plant and equipment following the completion of the Diavik project in January 2003.
- The acquisition by a subsidiary company of Rio Tinto plc, of US$500 million of redeemable preference shares in a subsidiary company of Rio Tinto Limited.
- The purchase, in 2002, of US$304 million of US treasury bonds as security for the deferred consideration on the acquisition of the North Jacobs Ranch reserves.

The net cash inflow from acquisitions and disposals of US$1,209 million in 2003 reflects deferred payment by Rio Tinto Limited for the buy back in 2000 of some of its shares from Rio Tinto plc. Net debt fell from US$2,625 million in 2002 to US$1,842 million in 2003.

Shareholders' funds increased to US$7,343 million at 31 December 2003 (31 December 2002: US$5,899 million), largely due to retained profit and exchange gains.

2002 compared with 2001

Rio Tinto plc's net sales revenue (referred to as consolidated turnover in the financial statements) was US$3,929 million in 2002, six per cent higher than in 2001. The increase primarily reflected higher volumes at Utah Copper and higher average prices at Kennecott Energy. Profit on ordinary activities before interest and tax was US$910 million compared with US$1,253 million in 2001. Exceptional asset write downs reflected in this number were US$639 million in 2002 against US$671 million in 2001. US$480 million of the write downs in 2002 and US$531 million of the write downs in 2001 related to Utah Copper. 2002 exceptional asset write downs also included US$89 million relating to Rio Tinto Limited's write down of the Iron Ore Company of Canada Inc. The remainder of the write downs in 2001 related to gold producing assets. In addition, in 2002, there was an exceptional charge of US$116 million relating to environmental remediation works at Utah Copper. None of these exceptional charges would qualify as extraordinary items under US GAAP. In addition to the above exceptional items, the reduction in profit before interest and tax reflected the absence of the US$54 million gain on disposal of Norzink in 2001, adverse exchange rates, inflation and adverse changes in other corporate items including pension costs.

Interest rates for the majority of Rio Tinto plc's borrowings are based on 3 month LIBOR, which averaged 1.8 per cent in 2002 and 3.8 per cent in 2001. Net interest payable was US$69 million lower than in 2001 as the lower interest rate more than offset the effect of increased net debt in the year.

The effective tax rate was 30.7 per cent (2001: 30.1 per cent) before exceptional charges and 61.8 per cent (2001: 38.5 per cent) after exceptional charges. The 2001 effective tax rate before exceptional charges benefited from the US$54 million non taxable gain on the sale of Norzink.

Net earnings of US$195 million (2001: US$491 million) were reduced in both years by the exceptional charges referred to above. Adjusted net earnings at US$934 million (2001: US$1,042 million) exclude the exceptional charges and are lower as a result of the factors noted above.

Total cash flow from operations was US$1,976 million compared with US$1,532 million in 2001. Reductions in working capital in the period largely reversed the increases in 2001. Dividends from associates increased, reflecting a US$146 million dividend paid by Rio Tinto Limited to Rio Tinto plc on the DLC Dividend Share.

Capital expenditure and financial investment remained around the same level as in 2001. However, 2002 includes the purchase of US$304 million of US treasury bonds held as security for the deferred consideration on the North Jacobs Ranch reserves acquired during the period, which is payable over the next four years. A net US$87 million of funds were advanced to Rio Tinto Limited companies in 2002 which compares with an advance of US$399 million in 2001.

The net cash inflow from acquisitions and disposals of US$104 million in 2002 included the remittance of US$115 million from Rio Tinto Limited in relation to the buyback of some of its shares from Rio Tinto plc in 2000. Dividends paid to shareholders were US$108 million higher than in 2001 as a result of the change in policy for weighting of interim and final dividends announced in 2001. Net debt increased from US$2,311 million at 31 December 2001 to US$2,625 million at 31 December 2002 primarily reflecting the cash outflow before management of liquid resources and financing of US$235 million. Shareholders' funds were US$5,899 million at the end of 2002 compared with US$5,902 million at the end of 2001. Retained losses of US$444 million were offset by positive exchange rate changes, primarily on the Australian dollar, and the impact of the dividend on the DLC Dividend Share.

Rio Tinto Limited part of Rio Tinto Group

2003 Compared with 2002

Rio Tinto Limited's net sales revenue (referred to as consolidated turnover in the financial statements) was US$5,196 million in 2003 (2002: US$4,514 million). The 15 per cent increase in 2003 is largely due to increased volumes and prices at the Iron Ore operations and increased prices and smelter output at Comalco. The disposals of Kaltim Prima Coal and Alumbrera during the year resulted in a reduction in share of joint ventures' and associates' turnover.

In 2003 profit on ordinary activities before interest and tax was US$1,391 million (2002: US$1,180 million after exceptional asset write downs of US$433 million). The weakening of the US dollar against the Australian dollar and Canadian dollar, in which most of the Group's costs are denominated, reduced profit. However, 2003 profits benefited from exceptional gains on the disposal of a subsidiary, a joint venture and an associate, of US$126 million: whereas, 2002 profits were reduced by exceptional losses.

Back to Contents

In 2003, net interest payable decreased to US$100 million (2002: US$124 million), due largely to lower interest rates.

The effective tax rate in 2003 was 28.7 per cent, which compares with 40.9 per cent in 2002. However, excluding the effect of exceptional items, the tax rate was 31.7 per cent in both years. The 2003 exceptional gain of US$126 million attracted no tax charge. In 2002 tax relief recognised on the exceptional losses of US$433 million was US$42 million.

Profits attributable to outside interests increased in 2003, primarily because 2002 was impacted by the exceptional asset write downs at IOC.

Net earnings increased to US$884 million (2002: US$736 million) as a result of the factors above.

Total cash flow from operations was similar to 2002 at US$2,053 million (2002: US$ 2,043 million). The increase in cash flow from operating activities was offset by a reduction in dividends received from the coal joint ventures in 2003.

Capital expenditure and financial investment increased as a result of continued expansion at Hamersley; and construction of the Comalco Alumina Refinery. During 2003 Rio Tinto Limited remitted US$1,208 million to Rio Tinto plc in respect of shares that were repurchased in 2000. In addition, a subsidiary of Rio Tinto Limited, issued US$500 million of redeemable preference shares to a subsidiary of Rio Tinto plc. The factors mentioned above combined to reduce cash flow and increase the level of net debt in 2003.

2002 Compared with 2001

Rio Tinto Limited's net sales revenue was US$4,514 million in 2002, 2 per cent higher than in 2001. The effect of higher volumes at Argyle and the commencement of West Angelas operations more than offset the absence of sales from the Forestry operations, which were disposed of in 2001. Profit on ordinary activities before interest and tax was US$1,180 million compared with US$1,745 million in 2001. This fall included the impact of US$433 million of exceptional asset write downs in 2002 compared with US$71 million of exceptional asset write downs in 2001. The 2002 exceptional asset write down related primarily to the Iron Ore Company of Canada Inc (IOC). The 2001 asset write down related to some of Rio Tinto Limited's gold producing assets. The exceptional asset write downs do not qualify as extraordinary items under US GAAP. The decrease in profit on ordinary activities before interest and tax also reflected the strengthening of the Australian dollar against the US dollar, which increased costs, and lower prices for iron ore and coal.

The interest charge of US$124 million was US$66 million lower than in 2001.

The effective tax rate was 31.7 per cent (2001: 33.7 per cent) before exceptional asset write downs and 40.9 per cent (2001: 34.0 per cent) after exceptional asset write downs. The effective rate before exceptional asset write downs in 2002 benefited from reductions in deferred tax provisions brought forward from prior years.

There was a credit of US$126 million for amounts attributable to outside shareholders in 2002 compared to a charge in 2001 of US$72 million. Profits attributable to outside interests for 2002 are reduced by US$166 million as a result of exceptional asset write downs. Lower profits at partly owned operations reduced the amount attributable to outside interests in addition to this impact from exceptional asset write downs.

Net earnings at US$736 million were US$206 million below 2001 which reflected the exceptional asset write downs of US$225 million after tax and minorities.

Total cash flow from operations increased to US$2,043 million from US$1,992 million in 2001. Lower operating profits were offset by other favourable movements including a reduction in inventories as West Angelas came into production and as a result of an IOC shut down in August. Capital expenditure and financial investment remained at around the same level as 2001 as increased spending on the Comalco Alumina Refinery and Hail Creek compensated for the suspension of expenditure on IOC's Sept-Iles pellet plant and the completion of West Angelas.

There were net disposals of US$138 million in 2002. The disposals largely related to units acquired with Peabody's Australian coal businesses in 2001. Acquisitions primarily related to an increase in the Group's interest in lines 1 and 2 at Boyne Smelters.

Dividends paid in 2002 included a dividend of US$146 million paid to Rio Tinto plc in relation to the DLC Dividend Share.

Rio Tinto Limited received loans of US$87 million from Rio Tinto plc during the year and repaid US$115 million of the consideration outstanding for 91,000,000 of its shares repurchased from Rio Tinto plc in 2000.

Net debt decreased from US$3,400 million at 31 December 2001 to US$3,122 million at 31 December 2002 reflecting the cash flow during the period.

Adjusted earnings

UK Financial Reporting Standard 3 expressly permits presentation of an adjusted measure of earnings. As presented by Rio Tinto, this excludes the effect of exceptional items of such magnitude that their exclusion is useful in order that adjusted earnings fulfil their purpose of reflecting the Group’s underlying performance. Except where otherwise indicated, earnings contributions from business units and business segments exclude the effect of these exceptional items. Adjusted earnings is reconciled with net earnings on page 82 of the 2003 Annual report and on page A-2 of the 2003 Annual report Appendix. Further information on exceptional items may be found in note 4 on page 91 of the 2003 Annual report and in note 4 on page A-13 of the 2003 Annual report Appendix.

Critical accounting estimates

The Rio Tinto Group’s critical accounting estimates have been set out on pages 35 to 36 of the 2003 Annual report.

Back to Contents

Trend information

The Group's worldwide operations supply essential minerals and metals that help to meet global needs and contribute to improvements in living standards, so changes in the demand for its products are closely aligned with changes in global GDP. Changes in the GDP of developing countries will have a greater impact on materials such as iron ore and coal that can be used to improve infrastructure whereas changes in the GDP of developed countries will have a greater impact on industrial minerals that have many applications in consumer products. Trends in total turnover, earnings, cash flow, debt, equity, total capital are set out on pages 2 to 6 of the 2003 Annual report. Trends in the production of the Group's minerals and metals are set out in the Operational review on pages 37 to 51 of the 2003 Annual report.

Item 6. Directors, Senior Management and Employees

Details of the Group's directors, senior management and employees have been set out on pages 57 to 59 of the 2003 Annual report, the Remuneration report has been set out on pages 62 to 69 of the 2003 Annual report and board practices have been explained under Corporate governance on pages 70 to 72 of the 2003 Annual report. Details of post retirement benefits have been set out in note 41 on pages 123 to 128 of the 2003 Annual report and in note 40 on pages A-52 to A-56 of the 2003 Annual report- Appendix.

Rio Tinto's employment policies have been summarised on page 56 of the 2003 Annual report. Employee costs have been set out in note 3 on page 90 of the 2003 Annual report and in note 3 on page A-12 of the 2003 Annual report Appendix, and analyses of the average number of employees by principal location and by business unit have been set out in note 30 on page 117 of the 2003 Annual report and in note 30 on page A-46 of the 2003 Annual report Appendix.

As made clear in *The way we work*, Rio Tinto's statement of business practice, the Group recognises everyone's right to choose whether or not they wish to be represented collectively.

Details of the Group's various arrangements for involving directors and employees in its shares are set out in the Remuneration report on pages 62 to 69 of the 2003 Annual report. The tables of the directors' beneficial interests in shares and their awards under long term incentive plans and options, as included in the Remuneration report, have been updated to the latest practicable date and are reproduced as follows:

Table 3 Directors' beneficial interests in shares

	1 Jan 2003[2]	31 Dec 2003[8]	19 Mar 2004
Robert Adams[3]	56,599	71,764	71,818
Sir David Clementi[4]			
Leigh Clifford	2,100	2,100	2,100
	56,300	*76,428*	*90,296*
Leon Davis	6,100	6,100	6,100
	133,838	*187,293*	*187,293*
Guy Elliott[3]	28,897	40,847	42,487
Sir Richard Giordano	1,065	1,065	1,065
Andrew Gould			
Oscar Groeneveld	19,010	19,010	19,010
	6,909	*23,515*	*31,357*
Sir John Kerr[4]			
Jonathan Leslie[5]	44,886	55,396	n/a
David Mayhew	2,500	2,500	2,500
John Morschel			
The Hon Raymond Seitz[5]	500	500	n/a
Paul Skinner	1,000	5,140	5,140
Sir Richard Sykes	2,294	2,359	2,359
Lord Tugendhat	1,135	1,135	1,135
Sir Robert Wilson[5]	114,124	138,609	n/a

Notes

1. Rio Tinto plc ordinary shares of 10p each; *Rio Tinto Limited ordinary shares stated in italics.*
2. Or date of appointment if later.
3.

These directors, together with other Rio Tinto plc Group employees, also had an interest in a trust fund containing 21,849 Rio Tinto plc shares at 31 December 2003 (1 January 2003: 102,136 Rio Tinto plc shares) as potential beneficiaries of The Rio Tinto Share Ownership Trust. At 19 March 2004 this trust fund contained 8,006 Rio Tinto plc shares.

4. Sir David Clementi and Sir John Kerr were appointed directors on 28 January 2003 and 14 October 2003 respectively.
5. Mr Leslie, The Hon Raymond Seitz and Sir Robert Wilson retired or resigned as directors on 31 March 2003, 1 May 2003 and 31 October 2003 respectively.
6. The above includes the beneficial interests obtained through the Rio Tinto Share Ownership Plan, details of which are set out on page 64 of the 2003 Annual report under the heading 'Other share plans'.
7. The total beneficial interest of the directors in the Group amounts to less than one per cent.
8. Or date of retirement or resignation if earlier.
9. The shares held by the directors have the same voting and other rights as the shares held by other shareholders.

Back to Contents

Table 4 – Awards to directors under long term incentive plans

	Plan	1 Jan 2003	Awarded	Lapsed	Vested[1]	31 Dec 2003[2]	Awarded	Lapsed	19 Mar 2004
Robert Adams	MCCP 2000	27,830	–	10,437	17,393	–	–	–	–
	MCCP 2001	27,330	–	–	–	27,330	–	–	27,330
	MCCP 2002	25,064	–	–	–	25,064	–	–	25,064
	MCCP 2003	–	26,837	–	–	26,837	–	–	26,837
		80,224	26,837	10,437	17,393	79,231	–	–	79,231
Leigh Clifford[5]	MCCP 2000	*37,609*	–	*14,104*	*23,505*	–	–	–	–
	MCCP 2001	*37,474*	–	–	–	*37,474*	–	–	*37,474*
	MCCP 2002	*34,435*	–	–	–	*34,435*	–	–	*34,435*
	MCCP 2003	–	*36,341*	–	–	*36,341*	–	–	*36,341*
		109,518	*36,341*	*14,104*	*23,505*	*108,250*	–	–	*108,250*
Guy Elliott	MCCP 2000	4,307	–	1,616	2,691	–	–	–	–
	MCCP 2001	7,845	–	–	–	7,845	–	–	7,845
	MCCP 2002	16,935	–	–	–	16,935	–	–	16,935
	MCCP 2003	–	22,923	–	–	22,923	–	–	22,923
		29,087	22,923	1,616	2,691	47,703	–	–	47,703
Oscar Groeneveld[5]	MCCP 2000	*21,266*	–	*7,975*	*13,291*	–	–	–	–
	MCCP 2001	*20,934*	–	–	–	*20,934*	–	–	*20,934*
	MCCP 2002	*20,322*	–	–	–	*20,322*	–	–	*20,322*
	MCCP 2003	–	*21,469*	–	–	*21,469*	–	–	*21,469*
		62,522	*21,469*	*7,975*	*13,291*	*62,725*	–	–	*62,725*
Jonathan Leslie[6]	MCCP 2000	21,574	–	8,091	13,483	–	–	–	–
	MCCP 2001	21,192	–	–	–	21,192	–	–	n/a
	MCCP 2002	19,758	–	19,758	–	–	–	–	–
	MCCP 2003	–	–	–	–	–	–	–	–

		62,524	–	27,849	13,483	21,192	–	–	n/a
Sir Robert Wilson	MCCP 2000	50,191	–	18,822	31,369	–	–	–	–
	MCCP 2001	49,796	–	–	–	49,796	–	–	n/a
	MCCP 2002	47,983	–	–	–	47,983	–	–	n/a
	MCCP 2003	–	50,599	8,456	–	42,143	–	–	n/a
		147,970	50,599	27,278	31,369	139,922	–	–	n/a

Notes

1. The Rio Tinto Group's 7th place ranking against the comparator group for the MCCP 2000 award will generate a 62.5 per cent vesting based on the scales applied to conditional awards made prior to 2004.
2. Rio Tinto plc – ordinary shares of 10p each; *Rio Tinto Limited – ordinary shares – stated in italics.*
3. The shares awarded under the MCCP 2000 vested on 27 February 2004 but, as the performance cycle ended on 31 December 2003, they have been dealt with in this table as if they had vested on that date. The values of these awards have been based on share prices of 1,386p and A$35.24, being the closing share prices on 6 February 2004, the latest practicable date prior to the publication of the 2003 Annual report. Amounts in Australian dollars have been translated into sterling at the year end exchange rate of £1=A$2.3785.
4. The shares awarded under the FTSE 1997 and MCCP 1999 vested on 28 February 2003 but as the performance cycles ended on 31 December 2002, they were dealt in the 2002 Annual report as if they had vested on that date. The values of the awards in the 2002 Annual report were based on share prices of 1,169p and A$32.52, being the closing share prices on 14 February 2003, the latest practicable prior to the publication of the 2002 Annual report. Amounts in Australian dollars were translated into sterling at the year end exchange rate of £1=A$2.829.
   The actual share prices on 28 February 2003, when the awards vested, were 1,268.5p and A$33.3518, with the result that the values of the awards had been understated in respect of Sir Robert Wilson by £105,773, Mr Adams by £61,321, Mr Leslie by £36,304, Mr Davis by £183,279, Mr Clifford by £12,143 and Mr Groeneveld by £36,319, and overstated in respect of Mr Elliott by £4,308.
5. Mr Clifford was given a conditional award over 36,341 Rio Tinto Limited shares and Mr Groeneveld was given a conditional award over 21,469 Rio Tinto Limited shares during the year. These awards were approved by the shareholders under ASX Listing Rule 10.14 at the 2003 annual general meeting.
6. Following Mr Leslie's resignation from the boards of Rio Tinto plc and Rio Tinto Limited on 31 March 2003, the Remuneration committee agreed that his MCCP awards in 2000 and 2001 should continue to the end of their respective performance periods. The 2002 MCCP award was forfeited.
7. A full explanation of the MCCP together with the proposed changes under the plan can be found on pages 63 and 64 of the 2003 Annual report.
8. Or as at date of resignation or retirement if earlier.

Back to Contents

Table 5 Directors’ options to acquire Rio Tinto plc and Rio Tinto Limited shares

		Holding at 1 Jan 2003	Granted[5]	Exercised/ cancelled	Holding at 31 Dec 2003[7]	Weighted average option price	Options exercised / cancelled during year Number	Option price	Market price	Gain on exercise £’000	Holding at 19 Mar 2004
Robert Adams	A	398,615	114,014		512,629	1,136p					512,629
Leigh Clifford	A	*384,050*	*254,132*		*638,182*	*A$31.10*					*638,182*
	B	*208,882*			*208,882*	*A$39.87*					*A$39.87*
Leon Davis	A	*93,978*			*93,978*	*A$23.44*					*A$23.44*
Guy Elliott	A	106,183	98,818	27,241	177,760	1,323p	8,292	820.0p	1,273p	38	1,323p
							8,645	808.8p	1,273p	40	
							7,613	965.4p	1,273p	23	
							2,691	641.0p	1,299p	18	
							27,241				
Oscar Groeneveld	A	*175,084*	*91,511*		*266,595*	*A$29.83*					*A$29.83*
	B	*73,965*			*73,965*	*A$39.87*					*A$39.87*
Jonathan Leslie	A	309,775		277,095	32,680	965p	55,730	808.8p	1,270p	257	n/a
							53,414	820.0p	1,270p	240	
							16,341	965.4p			
							77,749	1,265.6p			
							71,986	1,458.6p			
							1,875	876.0p			
							277,095				
Sir Robert Wilson	A	841,076	358,273	253,954	945,395	1,288p	129,636	808.8p	1,292p	626	n/a
							124,318	1,263.0p			
							253,954				

A is where the options are in respect of shares whose market price at the end of the financial year is equal to, or exceeds, the option price.
B is where the options are in respect of shares whose market price at the end of the financial year is below the option price.

Notes

1. Rio Tinto plc ordinary shares of 10p each; *Rio Tinto Limited shares stated in italics.*
2. Options have been granted under the Share Option Plan, the Rio Tinto plc Share Savings Plans and the Rio Tinto Limited Share Savings Plan.
3. The options granted to each director have been aggregated, except that any ‘out of the money options’ as at 31 December 2003 have been separately aggregated and disclosed. The closing price of Rio Tinto plc ordinary shares at 31 December 2003 was 1,543p (2002: 1,240p) and the closing price of Rio Tinto Limited shares at 31 December 2003 was A$37.54 (2002:

A$33.95).

4. Two directors were granted share options under the Rio Tinto Share Savings Plan that are exercisable between 1 January 2009 and 30 June 2009. One was granted options over 1,431 Rio Tinto plc ordinary shares at 1,107p per share and the other was granted options over 1,431 Rio Tinto Limited shares at A$27.48 per share.
5. All other share options were granted under the Share Option Plan and, subject to the performance criteria explained on page 63 of the 2003 Annual report, are exercisable between 7 March 2006 and 7 March 2013. Options were granted over 569,674 Rio Tinto plc ordinary shares at 1,263p per share and over 344,212 Rio Tinto Limited shares at A$33.336 per share.
6. No directors' options lapsed during the year. Following Mr Leslie's resignation, 167,951 of his options were cancelled with immediate effect. Following Sir Robert Wilson's retirement 124,318 of his options were also cancelled.
7. Or at date of retirement or resignation if earlier.

Rio Tinto's register of directors' interests, which is open to inspection, contains full details of directors' shareholdings and options to subscribe for Rio Tinto shares.

Corporate governance

Rio Tinto is committed to high standards of corporate governance, for which the directors are accountable to shareholders. Rio Tinto's statement on corporate governance, report of its Audit committee and Audit committee charter are set out on pages 70 to 73 of the 2003 Annual report. As a non US company Rio Tinto is permitted to follow home country standards in relation to corporate governance in lieu of complying with most of the provisions of Section 303A of the NYSE's Listed Company Manual but as from 2005 it will be required to disclose significant differences, if any, between its standards of corporate governance and those followed by US companies under NYSE listing standards.

Back to Contents

Item 7. Major Shareholders and Related Party Transactions

Major shareholders

As far as is known, Rio Tinto plc is not directly or indirectly owned or controlled by another corporation or by any government. The Capital Group of Companies Inc. by way of a notice dated 5 February 2004 informed the Company of its interest in 65,148,434 ordinary shares representing 6.1 per cent of its shares as at 6 February 2004. Rio Tinto plc does not know of any arrangements which may result in a change in its control. As of 19 March 2004, the total amount of the voting securities owned by the directors of Rio Tinto plc as a group was 153,714 ordinary shares of 10p each representing less than one per cent of the number in issue.

As far as is known, Rio Tinto Limited, with the exception of the arrangements for the dual listed companies merger described under Shareholder information on page 77 to 79 of the 2003 Annual report, is not directly or indirectly owned or controlled by another corporation or by any government. As of 19 March 2004, the only person known to Rio Tinto Limited as owning more than five per cent of its shares was Tinto Holdings Australia Pty Limited, which is an indirect wholly owned subsidiary of Rio Tinto plc, with 187,439,520 shares, representing 37.56 per cent of its issued capital. Rio Tinto Limited does not know of any arrangements which may result in a change in its control. As of 19 March 2004 the total amount of the voting securities owned by the directors of Rio Tinto Limited as a group was 308,946 shares representing less than one per cent of the number in issue.

Except as provided under the DLC Merger Sharing Agreement as explained on page 78 of the 2003 Annual report, the group’s major shareholders have the same voting and other rights as other shareholders.

As at 19 March 2004 there were 253 US registered shareholders holding 150,158 shares in Rio Tinto plc, and 214 US registered shareholders holding 310,405 shares in Rio Tinto Limited.

Related party transactions

Details of the Group’s material related party transactions are set out in note 38 on page 122 of the 2003 Annual report and in note 38 on page A-51 of the 2003 Annual report Appendix.

As stated in the Financial review on page 32 of the 2003 Annual report the Group’s financial statements show the full extent of the Group’s financial commitments including debt and similar exposures. The Group’s share of the net debt of joint ventures and associates is also disclosed. It is not the Group’s practice to engineer financial structures as a way of avoiding disclosure.

Item 8. Financial Information

Legal proceedings

Neither Rio Tinto plc nor Rio Tinto Limited nor any of their subsidiaries is a defendant in any proceedings which the directors believe will have a significant effect on either Company’s financial position or results of operations.

Dividends

The Group’s policy on dividend distributions is set out under Shareholder information on page 74 of the 2003 Annual report.

Post balance sheet events

On 22 March 2004 Rio Tinto announced that it had reached agreement with Freeport McMoRan Copper & Gold Inc (“FCX”) for FCX to acquire for cash all of Rio Tinto’s 23,931,100 FCX shares. The consideration per share will be based on the price used to establish the conversion price of FCX’s convertible preferred stock which will be issued to finance the buy back. Completion, which is subject to a number of conditions, will occur simultaneously with the closing of FCX’s convertible preferred stock offering. Gross proceeds are expected to amount to US$882 million.

The sale of FCX shares does not affect the terms of Rio Tinto’s joint venture interest in production from the Grasberg mine which is managed by FCX.

There have been no other significant post balance sheet events.

Item 9. The Offer and Listing

Share prices and details of the markets on which the Group’s shares are traded are set out under Shareholder information on pages 74 to 75 of the 2003 Annual report.

The tables of the high and low share prices for Rio Tinto plc and Rio Tinto Limited shares for the most recent six months have been extended to include February 2004 and are reproduced as follows:

	Pence per Rio Tinto plc share		US$ per Rio Tinto plc ADS	
	High	**Low**	**High**	**Low**
Aug 2003	1,407	1,270	90.30	82.30
Sep 2003	1,420	1,283	93.83	86.41
Oct 2003	1,474	1,290	100.34	86.85
Nov 2003	1,461	1,366	100.52	92.82
Dec 2003	1,543	1,421	111.35	98.50
Jan 2004	1,574	1,426	116.33	103.95
Feb 2004	1,485	1,386	114.74	102.10

	A$ per Rio Tinto Limited share		US$ per Rio Tinto Limited ADS	
	High	**Low**	**High**	**Low**
Aug 2003	34.31	31.55	88.83	83.19
Sep 2003	35.31	32.87	94.00	88.34
Oct 2003	36.59	32.32	101.00	88.22
Nov 2003	35.96	33.68	102.56	97.52
Dec 2003	37.54	34.79	112.42	101.11
Jan 2004	38.41	35.36	118.35	107.75
Feb 2004	36.62	35.08	115.60	106.75

Back to Contents

Item 10. Additional information

Memorandum and Articles of Association

Rio Tinto plc adopted new Articles of Association by Special Resolution passed on 11 April 2002 and Rio Tinto Limited amended its Constitution by Special Resolution on 18 April 2002. These resolutions dealt with the creation of a new special purpose share in each Company to be called a "DLC Dividend Share". The objective of these shares is to provide improved internal funds management flexibility to the Rio Tinto Group by allowing dividends to be paid between the two parts of the Group. Neither of theses shares has any rights attaching to it, other than the right to dividends as declared by the boards. These resolutions also dealt with some relatively minor technical amendments.

Introduction

As explained on pages 77 to 79 of the 2003 Annual report under the terms of the dual listed companies ('DLC') merger the shareholders of Rio Tinto plc and of Rio Tinto Limited entered into certain contractual arrangements which are designed to place the shareholders of both Companies in substantially the same position as if they held shares in a single enterprise which owned all of the assets of both Companies. Generally and as far as is permitted by the UK Companies Act and the Australian Corporations Law this principle is reflected in the Memorandum and Articles of Association of Rio Tinto plc and in the Constitution of Rio Tinto Limited. The summaries below include descriptions of material rights of the shareholders of both Rio Tinto plc and Rio Tinto Limited. Unless stated otherwise the Memorandum and Articles of Association of and Constitution are identical.

Rio Tinto plc is incorporated under the name "Rio Tinto plc" and is registered in England and Wales with registered number 719885 and Rio Tinto Limited is incorporated under the name "Rio Tinto Limited" and is registered in Australia with ACN Number 004458404.

No holder of shares, which may be held in either certificated or uncertificated form, will be required to make any additional contributions of capital.

Objects

The objects of Rio Tinto plc are set out in the fourth clause of its Memorandum of Association and the objects of Rio Tinto Limited are set out in the second clause of its Constitution. Included in these objects is the right for each Company to enter into, with one another, operate and carry into effect an Agreement known as the DLC Merger Sharing Agreement and a Deed Poll Guarantee.

Other objects of Rio Tinto plc include provisions:

- to carry on as an Investment Holding Company;
- to subscribe for, sell, exchange or dispose of any type of security or investment;
- to purchase any estate or interest in property or assets;
- to borrow and raise money to secure or discharge any debt or obligation of or binding on the Company;
- to draw, make or deal in negotiable or transferable instruments;
- to amalgamate with and co-operate with or assist or subsidise any company, firm or person and to purchase or otherwise acquire or undertake all or any part of the business property or liabilities of any person, body or company carrying on any business which this Company is authorised to carry on;
- to promote the Company;
- to lend money and guarantee contracts or obligations of the Company and to give all kinds of indemnities;
- to sell, lease, grant licences and other rights over any part of the Company;
- to procure the registration of the Company outside England;
- to subscribe or guarantee money to any national, charitable, benevolent, public, general or exhibition which may further the objects of the Company or the interest of its members;
- to grant pensions or gratuities to employees, ex-employees, officers and ex-officers;
- to establish any scheme or trust which may benefit employees;
- to lend money to employees to purchase Company shares;
- to purchase and maintain insurance for employees and to carry on the objects of the Company in any part of the world either as principals, agents, contractors, trustees or otherwise.

Back to Contents

Other objects of Rio Tinto Limited include the powers:

- to prospect for, explore, quarry, develop, excavate, dredge for, open, work, win, purchase or otherwise obtain all minerals, metals and substances;
- to carry on business as proprietors of and to purchase, take on, lease or in exchange or otherwise acquire and control mineral and other properties, lands and hereditaments of any tenure, mines and other rights or options thereon;
- to raise, win, get, quarry, crush, smelt, calcine, refine, dress, amalgamate, manipulate and otherwise treat, prepare, sell and deal in ores, metals and other products of mines;
- to carry on business as ship owners, railway proprietors, motor car, lorry and coach proprietors, and garage proprietors, carriers and hauliers, bankers, storekeepers, wharfingers, cartage, storage, building and general contractors and to buy and sell or otherwise deal in real or personal property of any kind;
- to carry on business as manufacturers of and dealers in and exporters and importers of goods and merchandise of all kinds and merchants generally; and
- to guarantee the payment of premiums on any sinking fund or endowment policy or policies taken out by any company having objects similar to the objects of the Company.

Directors

Under Rio Tinto plc's Articles of Association a director may not vote in respect of any proposal in which he or any other person connected with him, has any material interest other than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company, except where resolutions:

(a) indemnify him or a third party in respect of obligations incurred by the director on behalf of, or for the benefit of, the Company, or in respect of obligations of the Company, for which the director has assumed responsibility under an indemnity, security or guarantee;
(b) relate to an offer of securities in which he may be interested as a holder of securities or as an underwriter;
(c) concern another body corporate in which the director is beneficially interested in less than one per cent of the issued shares of any class of shares of such a body corporate;
(d) relate to an employee benefit in which the director will share equally with other employees; and
(e) relate to liability insurance that the Company is empowered to purchase for the benefit of directors of the Company in respect of actions undertaken as directors (or officers) of the Company.

Under Rio Tinto Limited's Constitution, except where a director is constrained by Australian law, a director may be present at a meeting of the board while a matter in which the director has a material interest is being considered and may vote in respect of that matter.

The directors are empowered to exercise all the powers of the Companies to borrow money, to charge any property or business of the Companies or all or any of their uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Companies or of any other person. The directors shall restrict the borrowings of Rio Tinto plc to the limitation that the aggregate amount of all moneys borrowed by the Company and its subsidiaries shall not exceed an amount equal to one and one half times the Company’s share capital plus aggregate reserves unless sanctioned by an ordinary resolution of the Company.

Directors are not required to hold any shares of either Company by way of qualification, but a director is nevertheless entitled to attend and speak at shareholders' meetings. Nevertheless, as disclosed in the Remuneration report on pages 62 to 69 of the 2003 Annual report the Remuneration committee has informed the executive directors that they would be expected to build up a shareholding equal in value to two times salary over five years.

Directors are required to retire in accordance with statutory age limits. Directors who were elected or re-elected a director in the third year before each annual general meeting are required to retire by rotation and such further directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one third of the number of directors in office at the date of the notice of meeting (or, if their number is not a multiple of three, the number nearest to but not greater than one third). These further directors required to retire shall be selected from the other directors subject to retirement by rotation who have been longest in office since their last re-election and where directors were re-elected on the same day then, unless they otherwise agree amongst themselves, they will be selected by the alphabetical order of their names. In addition any director appointed by the directors since the last annual general meeting is also required to retire. A retiring director shall be eligible for re-election.

In the absence of an independent quorum, the directors are not competent to vote compensation to themselves or to any members of their body.

Rights attaching to Shares

Under English law, dividends on shares may only be paid out of profits available for distribution, as determined in accordance with generally accepted accounting principles and by the relevant law. Shareholders are entitled to receive such dividends as may be declared by the directors. The directors may also pay shareholders such interim dividends as appear to them to be justified by the financial position of the Group.

Any Rio Tinto plc dividend unclaimed after 12 years from the date the dividend was declared, or became due for payment, will be forfeited and returned to the Company. Any Rio Tinto Limited dividend unclaimed may be invested or otherwise made use of by the board for the benefit of the Company until claimed or otherwise disposed of according to Australian law.

Back to Contents

Voting rights

Voting at any general meeting of shareholders is by a show of hands unless on a poll, being a written vote, that has been duly demanded. On a show of hands, every shareholder who is present in person or by proxy at a general meeting has one vote regardless of the number of shares held. On a poll, every shareholder who is present in person or by proxy has one vote for every ordinary share or share for which he or she is the holder and, in the case of Joint Decisions, the holder of the Special Voting Share has one vote for each vote cast by the public shareholders at the parallel meeting of shareholders. The voting rights attached to the Special Voting Share have been set out on page 78 of the 2003 Annual report. A poll may be demanded by any of the following:

- the chairman of the meeting;
- at least five shareholders entitled to vote at the meeting;
- any shareholder or shareholders representing in the aggregate not less than one tenth (Rio Tinto plc) or one twentieth (Rio Tinto Limited) of the total voting rights of all shareholders entitled to vote at the meeting;
- any shareholder or shareholders holding shares conferring a right to vote at the meeting on which there have been paid-up sums in the aggregate equal to not less than one tenth of the total sum paid up on all the shares conferring that right; or
- the holder of the Special Voting Share.

A proxy form will be treated as giving the proxy the authority to demand a poll, or to join others in demanding one.

The necessary quorum for a Rio Tinto plc general meeting is three persons and for a Rio Tinto Limited general meeting is two persons carrying a right to vote upon the business to be transacted, whether present in person or by proxy.

Matters are transacted at general meetings by the proposing and passing of resolutions, of which there are three kinds:

- an ordinary resolution, which includes resolutions for the election of directors, the receiving of financial statements, the cumulative annual payment of dividends, the appointment of auditors, the increase of authorised share capital or the grant of authority to allot shares;
- a special resolution, which includes resolutions amending the Company’s Memorandum and Articles of Association, disapplying statutory pre-emption rights or changing the Company’s name; and
- an extraordinary resolution, which includes resolutions modifying the rights of any class of the Company’s shares at a meeting of the holders of such class or relating to certain matters concerning the Company’s winding up.

An ordinary resolution requires the affirmative vote of a majority of the votes of those persons voting at a meeting at which there is a quorum. Special and extraordinary resolutions require the affirmative vote of not less than three fourths of the persons voting at a meeting at which there is a quorum. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting is entitled to cast the deciding vote in addition to any other vote he may have.

The DLC Merger Sharing Agreement further classifies these three kinds of resolutions into ‘Joint Decisions’ and ‘Class Rights Actions’ as explained on page 78 of the 2003 Annual report.

Annual general meetings must be convened with 21 days advance written notice for Rio Tinto plc and with 28 days for Rio Tinto Limited. Other meetings must be convened with 21 days advance written notice for the passing of a special resolution and with 14 days for any other resolution, depending on the nature of the business to be transacted. The days of delivery or receipt of the notice are not included. The notice must specify the nature of the business to be transacted. The board of directors may, if they choose, make arrangements for shareholders who are unable to attend the place of the meeting to participate at other places.

Variation of Rights

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class may be varied, subject to the provisions of the relevant legislation, with the consent in writing of holders of three fourths in value of the shares of that class or upon the adoption of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. At every such separate meeting, all of the provision of the Articles of Association and Constitution relating to proceedings at a general meeting apply, except that the quorum is to be the number of persons (which must be two or more) who hold or represent by proxy not less than one third in nominal value of the issued shares of the class.

The DLC Merger Sharing Agreement provides for the protection of the public shareholders of both Companies and so any variations of rights would be dealt with as 'Class Rights Actions' that require the separate approval of the shareholders of both Companies.

Rights in a Winding-up

Except as the shareholders have agreed or may otherwise agree, upon a winding up, the balance of assets available for distribution:

- after the payment of all creditors including certain preferential creditors, whether statutorily preferred creditors or normal creditors; and
- subject to any special rights attaching to any class of shares;

is to be distributed among the holders of ordinary shares according to the amounts paid-up on the shares held by them. This distribution is generally to be made in cash. A liquidator may, however, upon the adoption of an extraordinary resolution of the shareholders, divide among the shareholders the whole or any part of the assets in kind.

The DLC Merger Sharing Agreement further sets out the rights of ordinary shareholders in a liquidation as explained under Shareholder information on page 78 of the 2003 Annual report.

Back to Contents

Limitations on Voting and Shareholding

There are no limitations imposed by either law or Rio Tinto plc's Memorandum or Articles of Association or Rio Tinto Limited's Constitution on the right of non-residents or foreign persons to hold or vote the ordinary shares or ADSs, other than the limitations that would generally apply to all shareholders and those that arise from the DLC merger.

There are no restrictions under Rio Tinto plc’s Memorandum and Articles of Association or under English law that limit the right of non resident or foreign owners to hold or vote its shares. Nor are there any restrictions under Rio Tinto Limited’s constitution or under Australian law that limit the right of non residents to hold or vote its shares, other than under the Foreign Acquisitions and Takeovers Act 1975, see Shareholder information on pages 76 to 77 of the 2003 Annual report for details. A description of the change in control provisions triggered by significant share ownership is set out under Shareholder information on pages 78 to 79 of the 2003 Annual report.

Exchange controls

At present, there are no exchange controls or other restrictions that affect remittance of the Group’s dividends to US residents, but see Shareholder information on page 76 to 77 of the 2003 Annual report for controls on remittances to certain specified organisations and certain specified targets related to certain specified territories.

Taxation

This section describes the material United States federal income tax consequences of ownership of Rio Tinto plc ADSs, Rio Tinto plc shares, Rio Tinto Limited ADSs and Rio Tinto Limited shares (“the Group’s ADSs and Shares”). It applies to you only if you are a US holder, as defined below, and you hold the Group’s ADSs and Shares as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a tax-exempt organisation;
- a life insurance company;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of our voting stock;
- a person that holds the Group’s ADSs and Shares as a part of a straddle or a hedging or conversion transaction; or
- a person whose functional currency is not the US dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, and on the convention between the United States of America and United Kingdom, that was ratified and came in force on 31 March 2003, which may affect the tax consequences of the ownership of the Group’s ADSs and Shares. These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the representations by The Bank of New York as Depositary and the assumption that each obligation in our deposit agreement relating to the ADRs and any agreement will be performed in accordance with its terms.

You are a US holder if you are a beneficial owner of the Group’s ADSs and Shares and you are:

- a citizen or resident of the United States;
- a corporation created or organised under the laws of the United States or any of its political subdivision;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorised to control all substantial decisions of the trust.

In general, and taking into account the earlier assumptions, for United States federal income tax purposes, if you hold ADRs evidencing ADSs, you will be treated as the owner of the shares represented by those ADSs. Exchanges of shares for ADRs, and ADRs for shares, generally will not be subject to United States federal income tax.

Rio Tinto believes that it will not be treated as a passive foreign investment company (PFIC) for US federal income tax purposes. The further discussion of the tax consequences of holding the Group’s ADSs and shares by US residents under Shareholder information on page 76 of the 2003 Annual report assumes this treatment.

With reference to the description of the holding requirement period pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003 included under US Federal income tax on page 76 of the 2003 Annual report, the IRS announced on 19 February 2004 that it will permit taxpayers to apply a proposed legislative change to this holding period requirement as if such change were already effective. This legislative "technical correction" would change the minimum required holding period, retroactive from 1 January 2003, to more than 60 days during the 121 day period beginning 60 days before the ex dividend date.

US holders should consult their tax advisers regarding United States federal, state and local and other tax consequences of owning and disposing of the Group's ADSs and Shares in their particular circumstances.

Documents on display

Rio Tinto plc and Rio Tinto Limited file reports and other information with the SEC. You may read without charge and copy at prescribed rates any document filed at the public reference facilities of the SEC's principal office at 450 Fifth Street, NW, Washington, D.C. 20549, United States of America. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Back to Contents

Item 11. Quantitative and Qualitative Disclosures about Market Risk

The Rio Tinto Group's policies for currency, interest rate and commodity price exposures, and the use of derivative financial instruments are discussed in the Financial review on pages 32 to 36 of the 2003 Annual report. In addition, the Group's quantitative and qualitative disclosures about market risk are set out in note 28 on pages 111 to 116 of the 2003 Annual report and in note 28 on pages A-39 to A-44 of the 2003 Annual report – Appendix. The discussion regarding market risk contains certain forward looking statements and attention is drawn to the Cautionary statement under Item 3 on page 6.

2003 compared with 2002

Currency hedges of trading transactions which matured during 2003 have not been replaced by new hedges. The sensitivity of the Group's earnings to currency movements has therefore increased slightly.

Exchange rates

In any particular year, currency fluctuations may have a significant impact on Rio Tinto's financial results. A weakening of the US dollar against the currencies in which the Group’s costs are incurred has an adverse effect on Rio Tinto’s net earnings. The approximate effect on the Group's net earnings of ten per cent movements from the 2003 full year average exchange rates of the currencies having most impact on costs are as follows:

	2003 Average exchange rate in US cents	2003 Effect of 10% change in full year average US$m	2002 Average exchange rate in US cents	2002 Effect of 10% change in full year average US$m
Australian $	65	141 +/-	54	115 +/-
Canadian $	71	26 +/-	64	18 +/-
South African rand	13	22 +/-	9	14 +/-

These sensitivities are based on the prices, costs and volumes for each respective year and assume that all other variables remain constant. They take into account the effect of hedges maturing in each year as disclosed in note 28 on pages 111 to 116 of the 2003 Annual report and in note 28 on pages A-39 to A-44 of the 2003 Annual report – Appendix. These exchange rate sensitivities include the effect on operating costs of movements in exchange rates but exclude the impact through revaluation of foreign currency working capital and should therefore be used with care.

Interest rates

Based on the Group's net debt at 31 December 2003 and with other variables unchanged, the approximate effect on the Group's net earnings of a one per cent increase in US dollar LIBOR interest rates would be a reduction of US$30 million (2002: US$40 million – based on the Group's net debt at 31 December 2002).

Commodity prices

Approximately 40 per cent (2002: 35 per cent) of Rio Tinto's net earnings from operating businesses came from products whose prices were terminal market related and the remainder came from products priced by direct negotiation.

The approximate effect on the Group's net earnings of a ten per cent change from the full year average market price for the following metals would be:

2003 Average market price	2003 Effect of 10% change in full year average US$m	2002 Average market price	2002 Effect of 10% change in full year average US$m

Copper	80 c/lb	109 +/-	71 c/lb	95 +/-
Aluminium	65 c/lb	95 +/-	61 c/lb	75 +/-
Gold	US$363 oz	52 +/-	US$309 oz	55 +/-

Item 12. Description of Securities other than Equity Securities

Not applicable.

Back to Contents

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modification to the Rights of Security Holders and Use of Proceeds

There are no material modifications to the rights of security holders.

Item 15. Controls and Procedures

The conclusions of management about the effectiveness of the Rio Tinto Group's disclosure controls and procedures have been set out on page 80 of the 2003 Annual report.

Item 16A. Audit Committee Financial Expert

Details relating to the Audit committee financial expert have been set out under Corporate governance on page 72 of the 2003 Annual report.

Item 16B. Code of Ethics

Rio Tinto's statement of business practice, *The way we work* and its supplementary guidance documents, has been described under Corporate governance on page 71 of the 2003 Annual report and can be viewed on the Group's website at www.riotinto.com.

Item 16C. Principal Accountant Fees and Services

The remuneration of the Group's principal auditors for audit services and other services as well as remuneration payable to other accounting firms has been set out in note 37 on page 121 of the 2003 Annual report and in note 37 on page A-50 of the 2003 Annual report Appendix.

Audit-related regulatory reporting

Includes the audit of employee benefit plans, consultation regarding GAAP and International FRS and assistance and advice in connection with the implementation of Section 404 of the Sarbanes-Oxley Act of 2002.

Further assurance services

Includes due diligence of potential business acquisitions and disposals.

Tax services

Includes tax compliance, involving the preparation or review of tax returns for corporation, income, sales, excise and other taxes and duties, consultancy in relation to tax audits, accounting, restructurings, mergers and acquisitions, advice on transfer pricing and dealing with tax returns for expatriates.

Other services

Includes reviews of risk management policies and procedures, forensic investigations, review of actuarial reports, provision of training services and other procedures of an assurance nature.

Rio Tinto has adopted policies designed to uphold the independence of the Group's principal auditors by prohibiting their engagement to provide a range of accounting and other professional services that might compromise their appointment as independent auditors. The engagement of the Group's principal auditors to provide statutory audit services, certain other assurance services, tax services and certain limited other services are pre-approved. The engagement of the Group's principal auditors to provide other permitted services are individually subject to the specific approval of the Audit committee or its chairman.

Prior to the commencement of each financial year the Group's Finance director and its principal auditors submit to the Audit committee a schedule of the types of services that are expected to be performed during the following year for its approval. The Audit committee may impose a US dollar limit on the total value of other permitted services that can be provided. Any non audit service provided by the Group's principal auditors, where the expected fee exceeds a pre-determined level, must be subject to the Group's normal tender procedures. However, in exceptional circumstances the Finance director is authorised to engage the Group's principal auditors to provide such services without going to tender, but if the fees are expected to exceed $250,000 then the chairman of the audit committee must approve the engagement.

The Audit committee adopted policies for the pre-approval of permitted services provided by the Group's principal auditors during January 2003 which were further refined and adopted during September 2003. All of the engagements for services provided by the Group's principal auditors since the adoption of these policies were either within the pre-approval policies or approved by the Audit committee.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Back to Contents

PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

The financial statements for the Rio Tinto Group and the Report of the Independent Auditors have been set out on pages 81 to 135 of the 2003 Annual report and the separate financial statements for the Rio Tinto plc and Rio Tinto Limited parts of the Rio Tinto Group and the Report of the Independent Auditors have been set out on pages A-1 to A-75 of the 2003 Annual report Appendix.

Item 19. Exhibits

Exhibits marked "*" have been filed as exhibits to this annual report on Form 20-F and other exhibits have been incorporated by reference as indicated.

Index

Exhibit Number	Description
1.1	Memorandum and Articles of Association of Rio Tinto plc (adopted by special resolution passed on 11 April 2002) (incorporated by reference to Exhibit 1.11 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2002, File No. 1-10533).
1.2	Constitution of Rio Tinto Limited (ACN 004 458 404) (as adopted by special resolution passed on 24 May 2000 and amended by special resolution on 18 April 2002) (incorporated by reference to Exhibit 1.2 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2002, File No. 1-10533).
3.1	DLC Merger Implementation Agreement, dated 3 November 1995 between CRA Limited and The RTZ Corporation PLC relating to the implementation of the DLC merger (incorporated by reference to Exhibit 2.1 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 1995, File No. 1-10533).
3.2	DLC Merger Sharing Agreement, dated 21 December 1995 between CRA Limited and The RTZ Corporation PLC relating to the ongoing relationship between CRA and RTZ following the DLC merger (incorporated by reference to Exhibit 2.1 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 1995, File No. 1-10533).
3.3	RTZ Shareholder Voting Agreement, dated 21 December 1995 between The RTZ Corporation PLC, RTZ Shareholder SVC Pty. Limited, CRA Limited, R.T.Z. Australian Holdings Limited and The Law Debenture Trust Corporation p.l.c. (incorporated by reference to Exhibit 2.3 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 1995, File No. 1-10533).
3.4	CRA Shareholder Voting Agreement, dated 21 December 1995 between CRA Limited, CRA Shareholder SVC Limited, The RTZ Corporation PLC and The Law Debenture Trust Corporation p.l.c., relating to the RTZ Special Voting Share (incorporated by reference to Exhibit 2.4 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 1995, File No. 1-10533).
4.01	Letter dated 1 January 1992 to Mr R Adams about supplementary pension arrangements (incorporated by reference to Exhibit 4.23 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.02	Supplementary letter dated 1 January 1992 to Mr R Adams about pension arrangements (incorporated by reference to Exhibit 4.24 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.03	Letter dated 22 November 1994 to Mr R Adams about supplementary pension arrangements (incorporated by reference to Exhibit 4.29 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.04	Letter dated 20 January 1997 to Mr R Adams about directors' pension arrangements (incorporated by reference to Exhibit 4.32 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2001, File No. 1-10533).
4.05	

	Service Agreement dated 15 April 2003 between Mr R Adams and Rio Tinto London Limited (incorporated by reference to Exhibit 4.30 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2002, File No. 1-10533).
*4.06	Memorandum effective 1 March 2004 to Service Agreement dated 15 April 2003 between Mr R Adams and Rio Tinto London Limited.

Back to Contents

4.07 Service Agreement dated 24 March 1999 between Mr R L Clifford and Rio Tinto Limited (incorporated by reference to Exhibit 4.18 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.08 Memorandum effective 1 April 1999 to Service Agreement dated 24 March 1999 between Mr R L Clifford and Rio Tinto Limited (incorporated by reference to Exhibit 4.19 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.09 Memorandum effective 1 April 2000 to Service Agreement dated 24 March 1999 between Mr R L Clifford and Rio Tinto Limited (incorporated by reference to Exhibit 4.20 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.10 Memorandum effective 1 April 2001 to Service Agreement dated 24 March 1999 between Mr R L Clifford and Rio Tinto Limited (incorporated by reference to Exhibit 4.21 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.11 Memorandum effective 1 March 2002 to Service Agreement dated 24 March 1999 between Mr R L Clifford and Rio Tinto Limited (incorporated by reference to Exhibit 4.23 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2001, File No. 1-10533).
4.12 Memorandum effective 1 March 2003 to Service Agreement dated 24 March 1999 between Mr R L Clifford and Rio Tinto Limited (incorporated by reference to Exhibit 4.25 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2002, File No. 1-10533).
*4.13 Memorandum effective 1 November 2003 to Service Agreement dated 24 March 1999 between Mr R L Clifford and Rio Tinto Limited.

4.14 Service Agreement dated 19 June 2002 between Mr G R Elliott and Rio Tinto London Limited (incorporated by reference to Exhibit 4.31 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2002, File No. 1-10533).
4.15 Memorandum effective 1 March 2003 to Service Agreement dated 19 June 2002 between Mr G R Elliott and Rio Tinto Limited (incorporated by reference to Exhibit 4.32 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2002, File No. 1-10533).
*4.16 Memorandum effective 1 March 2004 to Service Agreement dated 19 June 2002 between Mr G R Elliott and Rio Tinto London Limited.

4.17 Service Agreement dated 19 January 1999 between Mr O L Groeneveld and Rio Tinto Limited (incorporated by reference to Exhibit 4.53 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.18 Memorandum effective 1 April 1999 to Service Agreement dated 19 January 1999 between Mr O L Groeneveld and Rio Tinto Limited (incorporated by reference to Exhibit 4.54 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.19 Memorandum effective 1 April 2000 to Service Agreement dated 19 January 1999 between Mr O L Groeneveld and Rio Tinto Limited (incorporated by reference to Exhibit 4.55 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.20 Memorandum effective 1 April 2001 to Service Agreement dated 19 January 1999 between Mr O L Groeneveld and Rio Tinto Limited (incorporated by reference to Exhibit 4.56 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.21 Memorandum effective 1 March 2002 to Service Agreement dated 19 January 1999 between Mr O L Groeneveld and Rio Tinto Limited (incorporated by reference to Exhibit 4.61 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2001, File No. 1-10533).
4.22 Memorandum effective 1 March 2003 to Service Agreement dated 19 January 1999 between Mr O L Groeneveld and Rio Tinto Limited (incorporated by reference to Exhibit 4.38 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2002, File No. 1-10533).
*4.23 Service Agreement dated 19 January 2004 between Mr O L Groeneveld and Rio Tinto Limited.
*4.24 Memorandum effective 1 March 2004 to Service Agreement dated 19 January 2004 between Mr O L Groeneveld and Rio Tinto Limited.

4.25 Service Agreement dated 1 June 1994 between Mr J C A Leslie and RTZ Limited (incorporated by reference to Exhibit 4.57 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.26 Letter dated 22 November 1994 to Mr J C A Leslie about supplementary pension arrangements (incorporated by reference to Exhibit 4.58 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.27

Memorandum effective 1 April 1995 to Service Agreement dated 1 June 1994 between Mr J C A Leslie and RTZ Limited (incorporated by reference to Exhibit 4.59 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).

4.28 Letter dated 20 January 1997 to Mr J C A Leslie about directors' pension arrangements (incorporated by reference to Exhibit 4.60 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).

4.29 Memorandum effective 1 April 1998 to Service Agreement dated 1 June 1994 between Mr J C A Leslie and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.61 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).

4.30 Memorandum effective 1 April 1999 to Service Agreement dated 1 June 1994 between Mr J C A Leslie and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.62 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).

Back to Contents

4.31 Memorandum effective 1 April 2000 to Service Agreement dated 1 June 1994 between Mr J C A Leslie and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.63 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.32 Memorandum effective 1 April 2001 to Service Agreement dated 1 June 1994 between Mr J C A Leslie and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.64 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.33 Memorandum effective 1 March 2002 to Service Agreement dated 19 August 1991 between Mr J C A Leslie and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.70 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2001, File No. 1-10533).

4.34 Service Agreement dated 1 January 1992 between Sir Robert Wilson and RTZ Limited (incorporated by reference to Exhibit 4.01 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.35 Letter dated 1 January 1992 to Sir Robert Wilson about supplementary pension arrangements (incorporated by reference to Exhibit 4.02 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.36 Supplementary letter dated 1 January 1992 to Sir Robert Wilson about pension arrangements (incorporated by reference to Exhibit 4.03 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.37 Memorandum effective 1 April 1992 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and RTZ Limited (incorporated by reference to Exhibit 4.04 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.38 Memorandum effective 1 April 1993 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and RTZ Limited (incorporated by reference to Exhibit 4.05 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.39 Letter dated 9 March 1994 amending Service Agreement dated 1 January 1992 between Sir Robert Wilson and RTZ Limited (incorporated by reference to Exhibit 4.06 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.40 Memorandum effective 1 April 1994 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and RTZ Limited (incorporated by reference to Exhibit 4.07 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.41 Letter dated 22 November 1994 to Sir Robert Wilson about supplementary pension arrangements (incorporated by reference to Exhibit 4.08 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.42 Memorandum effective 1 April 1995 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and RTZ Limited (incorporated by reference to Exhibit 4.09 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.43 Memorandum effective 1 April 1996 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and RTZ Limited (incorporated by reference to Exhibit 4.10 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.44 Letter dated 20 January 1997 to Sir Robert Wilson about directors' pension arrangements (incorporated by reference to Exhibit 4.11 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.45 Memorandum effective 1 April 1997 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and RTZ Limited (incorporated by reference to Exhibit 4.12 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.46 Memorandum effective 1 April 1998 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.13 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.47 Memorandum effective 1 April 1999 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.14 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.48 Memorandum effective 1 April 2000 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.15 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.49 Supplementary letter dated 14 February 2001 to Sir Robert Wilson about reduction of notice period (incorporated by reference to Exhibit 4.16 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.50 Memorandum effective 1 April 2001 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.17 of Rio Tinto

plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).

Back to Contents

4.51 Memorandum effective 1 March 2002 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.18 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2001, File No. 1-10533).
4.52 Memorandum effective 1 March 2003 to Service Agreement dated 1 January 1992 between Sir Robert Wilson and Rio Tinto London Limited (formerly RTZ Limited) (incorporated by reference to Exhibit 4.19 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2002, File No. 1-10533).

4.53 Mining Companies Comparative Plan (incorporated by reference to Exhibit 4.65 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.54 Share Option Plan (incorporated by reference to Exhibit 4.66 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.55 Medical expenses plan (incorporated by reference to Exhibit 4.67 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).
4.56 Pension plan (incorporated by reference to Exhibit 4.68 of Rio Tinto plc's Annual report on Form 20-F for the financial year ended 31 December 2000, File No. 1-10533).

*8.1 List of subsidiary companies.

*10.1 Consent of Independent Accountants.

*99.1 Certifications pursuant to Rule 13a-14(a) of the Exchange Act.
*99.2 Certifications furnished pursuant to Rule 13a-14(b) of the Exchange Act (such certificate is not deemed filed for purpose of Section 18 of the Exchange Act and not incorporated by reference with any filing under the Securities Act).

SIGNATURE

The Registrants hereby certify that they meet all of the requirements for filing on Form 20-F and that they have duly caused and authorised the undersigned to sign this Annual Report on their behalf.

Rio Tinto plc
(Registrant)

/s/ Anette Lawless

Name: **Anette Lawless**
Title: Secretary

Rio Tinto Limited
(Registrant)

/s/ Anette Lawless

Name: **Anette Lawless**
Title: Assistant Secretary

Date: 26 March 2004

Rio Tinto

Rio Tinto is a leader in finding, mining and processing the earth s mineral resources. The Group s worldwide operations supply essential minerals and metals that help to meet global needs and contribute to improvements in living standards. Rio Tinto encourages strong local identities and has a devolved management philosophy, entrusting responsibility with accountability to the workplace.

In order to deliver superior returns to shareholders over time, Rio Tinto takes a long term and responsible approach to the Group s business. We concentrate on the development of first class orebodies into large, long life and efficient operations, capable of sustaining competitive advantage through business cycles.

Major products include aluminium, copper, diamonds, energy products (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt and talc) and iron ore. The Group s activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

Wherever Rio Tinto operates, health and safety is our first priority. We seek to contribute to sustainable development. We work as closely as possible with our host countries and communities, respecting laws and customs. We minimise adverse effects and strive to improve every aspect of our performance. We employ local people at all levels and ensure fair and equitable transfer of benefits and enhancement of opportunities.

Cover photograph, stacked aluminium billets at Boyne Island smelter, Australia.

2003 Annual report and financial statements

FORM 20-F

The information referenced in this *Annual report and financial statements* will be incorporated into Rio Tinto s *Annual report* on Form 20-F that will be filed with the US Securities and Exchange Commission (SEC). This filing will exclude certain pages that are not SEC compliant and will include some additional replacement pages and additional data and so the index to Form 20-F is for general reference only.

The attention of readers is drawn to the Risk factors and Cautionary statement about forward looking statements on page 7.

ANNUAL REPORT AND FINANCIAL STATEMENTS

Rio Tinto s *Annual report and financial statements* encompass Australian, UK and relevant US statutory requirements. The majority of shareholders have chosen to receive a shorter *Annual review* but those who wish to receive the full *Annual report and financial statements* for all future years may do so by writing to the Companies registrars.

Both the above documents are also available in electronic form. For futher details please visit the Rio Tinto website www.riotinto.com

Back to Contents

Chairman s letter

Adjusted earnings
US$m

Net earnings
US$m

Net earnings in 2001
2002 and 2003 were
after exceptional items.

Cash flow from operations
US$m

Dividends per share
US UK Australian
cents pence cents

Dividends from
associates and
joint ventures

Operating cash flow

Dear shareholder

Having joined the board as a non executive director in 2001, I was delighted to be asked to succeed Sir Robert Wilson as chairman in November 2003. I look forward to working with Leigh Clifford and his executive team and I share fully the Group s long standing commitment to creating shareholder value, delivering operational excellence and embracing sustainable development.

My focus will be on corporate governance, strategy and relations with our key stakeholders. I intend to contribute where possible to the Group s continuing efforts to integrate sustainable development into our business. Rio Tinto now represents my principal activity and I will commit whatever time is required to fulfil my role.

The year 2003 proved to be challenging for Rio Tinto. As the world economy continued its slow recovery, strong growth in key markets, like China, resulted in significant increases in the prices of some of our key commodities. This was particularly the case with iron ore, copper and alumina. Prices for seaborne thermal and coking coal improved towards the end of the year, but those for industrial minerals remained weak.

Unfortunately, revenue gains from higher US dollar prices were mostly offset by the weakness of the US dollar against some of our main producing currencies. We also incurred higher costs as a result of supply and logistical constraints and a number of operational events which affected production at some of our businesses.

Our adjusted earnings were US$1,382 million, US$148 million below 2002, while net earnings were US$1,508 million, or 109.5 US cents per share. The term adjusted earnings is defined on page 32. Cash flow from operations was US$3,486 million, only seven per cent below the previous year. Dividends equivalent to 64 US cents per share have been declared for 2003 as a whole compared with 60 US cents in 2002. This also means that the 2004 interim dividend payable in September can be expected to be 32 US cents per share.

We continue to manage our assets proactively. Our diversified portfolio includes many world class assets across a range of commodities which continue to provide resilience in earnings as well as attractive growth opportunities. Our current development programme includes major investments in our iron ore, bauxite and alumina operations. New capacity has also recently been added in coking coal and diamonds. During 2004/2005 we plan to invest approximately US$4 billion in our core businesses.

We aim to achieve high standards of corporate governance. Our board consists of nine non executive directors, of whom seven have been assessed by the board to be fully independent, four executive directors and myself as chairman. Collectively, the non executive directors bring an outstanding range of experience which is vital to good governance and corporate accountability in today s world. An account of our level of compliance with both the current and the new, recently introduced, Combined Codes in the UK is given in our discussion of corporate governance starting on page 70. We also comply with the requirements of the Australian Stock Exchange Best Practice Corporate Governance Guidelines and those of other authorities in countries where we have obligations.

Lord Tugendhat will be retiring from the board at this year s annual meeting after seven years of distinguished contribution, for which we thank him. We welcomed Sir John Kerr, formerly head of the UK Diplomatic Service, to the board in October 2003 and he is standing for election to the board at the forthcoming annual general meetings.

This letter would not be complete without special recognition of Sir Robert Wilson s retirement after 33 years of outstanding service to the Group. Bob s vision and strategic leadership were pivotal to a number of major portfolio transactions which have transformed Rio Tinto into the industry leading position it holds today. We thank him for all he has done for the Group, and for shareholders, and wish him well in his new activities.

Looking forward to 2004, we expect to see stronger markets for a number of our products. Overall market conditions and increased production from recent investments look encouraging. However, exchange rate developments will be a critical determinant of earnings in 2004.

In conclusion, I would like to acknowledge the hard work and dedication of Rio Tinto s employees throughout the world in 2003. Their contribution and continuing commitments to our core values is a vital factor in delivering sustained high performance in a challenging world.

Paul Skinner Chairman

Back to Contents

Chief executive s report

Graph intentionally omitted

Product group earnings
US$m

Note: 2003, 2002 and 2001 exclude exceptional items.
Product group earnings are stated before exceptional items, net interest, exploration and evaluation costs and other central items. A reconciliation is shown on page 132.

The year 2003 was characterised by the impact of the weak US dollar eroding margins and by prices which did not strengthen until towards the end of the year. However, strong cash flow and a number of completed and current projects paved the way for strong progress to be sustained in the future. Continuing robust demand from China has presented us with opportunities for growth in a number of commodities.

Operating performance

Product group earnings were US$1,584 million, compared with US$1,776 million in 2002.

Market conditions remained difficult for much of the year. An additional challenge was the rapid depreciation of the US dollar against most major currencies which had a significant effect on our earnings. Periods of US dollar weakness have been typically associated with stronger commodity prices. We saw metals prices responding to the weaker dollar in the second half of the year. However, our US based businesses benefited from higher copper and gold prices without incurring additional production costs.

Demand for iron ore, alumina, coking coal and diamonds has been strong. Towards the end of the year there was improved demand and prices for thermal coal from Australia.

The unprecedented demand for iron ore is stretching our infrastructure. Capacity and infrastructure expansions at Hamersley Iron and Robe River are under way involving expenditure of more than US$1 billion.

Strategy

Rio Tinto has had a very consistent strategy resulting in long term shareholder returns superior to those delivered by most of our peers. Fundamentally, we remain convinced that our competitive advantage is in mining, and that returns are best in the upstream part of the industry.

Furthermore, we believe that the best returns are delivered by large, long life, low cost orebodies that often have the potential for further development in the future. In order to maximise the value of these high quality assets we focus on operational excellence.

Our growth comes from creating options and recognising opportunities. We do not set growth targets but look at the quality of each investment opportunity on its merits.

The strength of our balance sheet coupled with the resilience of our cash flows enables us to invest in projects throughout the economic cycle. Across our portfolio we have a range of value creating opportunities and numerous options for future growth.

New projects

Because our strength lies in long life assets, we have the capability in the current environment to increase production in line with demand. We have recently invested heavily in copper, alumina, iron ore and diamonds. We are especially pleased with the Diavik diamond project in Canada, which reinforces our

position in the diamond industry. We opened the Hail Creek coking coal mine in Australia just as demand was firming and Comalco s alumina refinery in Australia, which will make us a major player in the alumina market, is on track to ship its first product in early 2005.

Opportunities to invest have been enhanced considerably by China s ongoing demand for raw materials. While there will undoubtedly be hiccups along China s growth path, fundamentally we believe the underlying trend for industrialisation in China presents a significant opportunity for the mining industry. We have positioned Rio Tinto to take its fair share of a market, the size of which has no precedent in our industry.

Hail Creek coking coal is a huge resource, giving us options for expansion as market demand allows. In iron ore, we are expanding capacity significantly. We have options for expansion of the new Comalco Alumina Refinery which will increase the demand for bauxite from Weipa.

In 2003, we pursued opportunities for asset disposals in a patient and disciplined manner. We sold our interests in Minera Alumbrera, Peak Gold, Kaltim Prima Coal and a number of exploration projects that did not fit our investment criteria. The sale of Fortaleza in Brazil was also agreed in 2003.

Following our Exploration group s evaluation of the large Resolution copper deposit in the US, the project was transferred to the Copper group in 2003 for further study.

Iron ore

Iron ore shipments were at an all time high, and we celebrated our 30th anniversary of iron ore exports to China. Rio Tinto shipped more than 100 million tonnes of iron ore in 2003.

In December, we announced an investment of US$920 million to increase output at Hamersley Iron. This involves increasing Dampier port capacity to 116 million tonnes per annum by late 2005, from the current 74 million tonnes per annum capacity, and expanding the Yandicoogina mine to produce 36 million tonnes per annum by early 2005 from the 24 million tonnes per annum capacity it will achieve in 2004. The Robe River joint venture approved a US$105 million expansion of the new West Angelas mine from 20 million tonnes per annum to 25 million tonnes.

Rio Tinto s managed iron ore infrastructure capacity in Australia is currently about 130 million tonnes per annum. These investments will take this to about 170 million tonnes by 2006.

Energy

Our energy businesses were challenged by weak markets for most of 2003. Continuing pit stability issues affected production in the US. In Australia, the formation of Rio Tinto Coal Australia unified management of our coal interests in New South Wales and Queensland.

We increased our production of hard

Back to Contents

Chief executive s report continued

Net debt: total capital

%

coking coal with the commencement of the Hail Creek mine, and the opening of the Ti Tree area at the Kestrel mine. Chinese steel mills have shown considerable interest in the Hail Creek product, indicating potential for a faster ramp up of production than was initially planned.

Industrial minerals

Demand for industrial minerals is related to the performance of mature economies, which have been weak. Market conditions in 2003 were consequently very difficult. To varying degrees, all products borates, talc, titanium dioxide, salt have had to contend with soft markets in 2003.

In the case of salt and titanium dioxide, the situation has been compounded by new supply and high customer stocks. We have curtailed production and taken action to mitigate the impact of lower production on the cost base, in anticipation of markets continuing to be oversupplied. In the case of our boric acid and upgraded slag expansions, we are allocating resources in areas where we see good opportunities for growth. Our industrial minerals assets are of high quality and capital demands have been low in recent years so cash generation continues to be solid.

Aluminium

In aluminium, our main focus is the development of our alumina business. The options we have to expand mean that we could be a six million tonnes per annum alumina producer within a decade.

Our two major projects in Queensland are working towards this goal. Two years into construction, our new alumina refinery at Gladstone will come on stream at a rate of 1.4 million tonnes per annum late in 2004. Designed to have an ultimate annual capacity of over four million tonnes, we are already looking at a phase two expansion. At Weipa, the source of the high quality bauxite that underpins our alumina business, we are increasing annual production to 16.5 million tonnes from the current capacity of 12 million tonnes. Three million tonnes of this capacity is required to support stage one of the new alumina refinery.

Copper

A slippage and subsequent debris flow at the Grasberg mine in Indonesia late in the year affected earnings in the fourth quarter. Despite this event and depressed prices for most of the year, our Copper group was able to maintain a robust earnings performance. We are well positioned to benefit from an upturn in the market. We have invested a total of US$850 million at Palabora, Escondida, Northparkes and Grasberg, and these projects are expected to be at full production by 2005.

We have made significant progress at Kennecott Utah Copper in the US to improve performance. The finalisation of a labour agreement in June, work practice changes in the mine, together with the implementation of 12 hour shifts, have resulted in a significant improvement in productivity.

Diamonds

Diamonds have become a major product for Rio Tinto. About a quarter of our exploration expenditure is devoted to the search for diamonds, mainly in Canada, but also in India.

The Diavik diamond mine was completed ahead of schedule and within budget. The process plant reached design throughput of 1.5 million tonnes of ore per annum six months ahead of schedule. We have established a strategic planning team separate from mine operations to look at options, including underground mining and construction of a second dike to open a third kimberlite pipe.

Initial production from Diavik entered a robust diamond market and we have enjoyed good sales volumes and prices significantly higher than the feasibility study projections. At the same time, Argyle in Australia benefited from the sale of stockpiled inventory.

Safety, health, environment and communities

We place the utmost importance on health and safety in the workplace. While our record compares very well with our own and other industries, the rate of improvement towards our goal of zero injuries levelled off in 2003. Rigorous compliance with the Rio

Tinto safety standards and increased visible

Back to Contents

leadership from all levels of management is expected. The 2003 winners of the Chief Executive s Safety Award were US Borax s Boron mine in California, Rio Tinto Brasil s Morro do Ouro gold mine and Comalco s Tiwai Point aluminium smelter in New Zealand. The award recognises outstanding performance as a leadership example for other Group operations.

Despite our strenuous efforts, I very much regret to have to report that there were six deaths at operations we manage in 2003; three were Group employees and three were contractors. There were 468 lost time incidents during the year, a four per cent decrease from 2002. The frequency rate was 0.81 compared with 0.85 in 2002.

By the end of 2003, 80 per cent of our managed operations had implemented the ISO 14001 environmental management system (EMS) or equivalent. We are now requiring all operations to certify their EMS by mid 2005. To complement the safety standards we are implementing Group wide occupational health and environment standards. We are targeting fewer workplace exposures and new cases of occupational disease. We seek improved efficiency of greenhouse gas emissions, energy use and fresh water withdrawn from the environment. Specific five year targets have been integrated into business plans to ensure that fully resourced and costed action plans are in place to achieve them.

We made further progress in integrating sustainable development practices and approaches into our activities. Most businesses have appointed cross functional teams to implement a sustainable development framework appropriate to local circumstances, and efforts are being made to formalise the incorporation of relevant criteria into key business decisions.

All of our businesses continued to report social and environmental performance to their local communities. Increasingly, this includes community verification.

Outlook

While 2003 was challenging, the Group s strong fundamentals ensured a satisfactory operating and financial result. We are ready to benefit from improving economic conditions.

In 2003, the world economy ended in better shape, with growth in China being a significant factor. Together with the cyclical upswing in the US and in other developed economies, significant pressure is being exerted on mineral raw materials markets. Iron ore and coking coal are particularly short whilst copper is getting rapidly tighter. Deferral of production at Grasberg due to the slippage event will, however, affect copper production.

The major economic uncertainty ahead lies in the currency markets, both with respect to possible impacts on our costs expressed in US dollars, and the responses which further moves in exchange rates might provoke from economic policy makers.

Our natural hedge against the weakening US dollar provided by strengthening prices for our diverse product range protects us to some extent, as does our policy of borrowing at floating interest rates, but the relative value of the US dollar remains a key uncertainty.

Considering the expansion plans we have announced, and the strong outlook for a number of our products on the back of growth in China, we see a promising medium to long term outlook, with our performance underpinned by some of the best mining assets in the world.

Finally, whatever the mix of challenge and opportunity, I am delighted to be supported by a very strong management team and employees of the highest calibre. In the end, it is the quality of people that makes the difference in delivering long term value. Recognising this, we are increasing our focus on developing a cadre of future leaders. I believe that Rio Tinto is exceptionally well placed in this regard to continue to deliver value to our shareholders.

Leigh Clifford Chief executive

Back to Contents

Selected financial data for Rio Tinto Group for the period 1999 to 2003

Gross turnover
US$m

Graph intentionally omitted

Cash flow from operations
US$m

Capital expenditure and financial investment
US$m

Adjusted earnings
US$m

A reconciliation of adjusted earnings with net earnings is included on page 82.

Net earnings
US$m

Net earnings in 2001,
2002 and 2003 were
after exceptional items.

Adjusted earnings per share
US cents

Net earnings per share
US cents

Dividends per share
US cents

UK pence

Australian cents

Shareholders funds
US$m

Total capital
US$m

Net debt: total capital
%

Back to Contents

Risk factors and cautionary statement

RISK FACTORS

The following describes some of the risks that could affect Rio Tinto. In addition, some risks may be unknown to Rio Tinto and other risks, currently believed to be immaterial, could turn out to be material. These risks, whether individual or simultaneous occurrences, could significantly affect the Group s business and financial results. They should also be considered in connection with any forward looking statements in this document and the cautionary statement below.

Economic conditions

Commodity prices, and demand for the Group s products, are influenced strongly by world economic growth, particularly that in the US and China. The Group s normal policy is to sell its products at prevailing market prices. Commodity prices can fluctuate widely and could have a material and adverse impact on the Group s asset values, revenues, earnings and cash flows. Further discussion can be found on page 11, Business environment and markets, and on page 34, Commodity prices.

Exchange rates

The Group s assets, earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the Group s sales and the countries in which it operates. The US dollar is the currency in which the majority of the Group s sales are denominated. The Australian and US dollars are the most important currencies influencing costs. The relative value of currencies can fluctuate widely and could have a material and adverse impact on the Group s revenues, earnings and cash flows. Further discussion can be found on page 34, Exchange rates, reporting currencies and currency exposure.

Acquisitions

The Group has grown partly through the acquisition of other businesses. There are numerous risks commonly encountered in business combinations and Rio Tinto cannot ensure that management will be able effectively to integrate businesses acquired, or generate the cost savings and synergies anticipated. Failure to do so could have a material and adverse impact on the Group s costs, earnings and cash flows.

Exploration and new projects

The Group seeks to identify new mining properties through an active exploration programme. However, there is no guarantee that such expenditure will be recouped or that the existing mineral reserves will be replaced. Failure to do so could have a material and adverse impact on the Group s financial results and prospects.

The Group develops new mining properties and expands its existing operations as a means of generating shareholder value. However, there are increasing regulatory, environmental and social approvals required that can potentially result in significant increases in construction costs and/or significant delays in construction. These increases could materially and adversely impact upon a project s economics, the Group s asset values, costs, earnings and cash flows.

Reserve estimation

There are numerous uncertainties inherent in estimating ore reserves. Reserves that are valid at the time of estimation may change significantly when new information becomes available. Fluctuations in the price of commodities, exchange rates, increased production costs or reduced recovery rates may render lower grade reserves uneconomic and may, ultimately, result in a restatement. A significant restatement could have a material and adverse impact on the Group s asset values, costs, cash flows and earnings.

Political and community

The Group has operations in some countries where varying degrees of political instability exist. Political instability can result in civil unrest, expropriation, nationalisation, renegotiation or nullification of existing contracts, mining leases and permits or other agreements, changes in laws, taxation policies or currency restrictions. Any of these can have a material adverse impact upon the profitability or, in extreme cases, the viability of an operation.

Some of the Group s current and potential operations are located in or near communities that may now, or in the future, regard such an operation as having a detrimental effect on their economic and social circumstances. Should this occur, it might have a material adverse impact upon the profitability or, in extreme cases, the viability of an operation. In addition, such an event may adversely affect the Group s ability to enter into new operations.

Technology

The Group has invested in and conducts information system and operational initiatives. Several technical aspects of these initiatives are still unproven and the eventual operational outcome or commercial viability cannot be assessed with certainty. Accordingly, the costs and benefits from participating and investing in new technologies and the consequent effects on the Group s future earnings and financial results may vary widely from present expectations.

Land and resource tenure

The Group operates in several countries where title to land and rights in respect of land and resources (including indigenous title) are sometimes unclear and disputes may arise over resource development. Such disputes could disrupt some mining projects and/or impede the Group s ability to develop new mining properties.

Health, safety and environment

Rio Tinto operates in an industry that is subject to numerous health, safety and environmental laws and regulations and community expectations. Evolving regulatory standards and expectations can result in increased litigation and/or increased capital, operating, compliance and remediation costs all of which can have a material and adverse impact on earnings and cash flows.

Mining operations

Mining operations are vulnerable to a number of circumstances beyond the Group s control, including transport disruption, weather and other natural disasters such as cyclones and flooding, unexpected maintenance problems, collapse or damage to pit walls, unexpected geological variations and industrial actions. These can affect costs at particular mines for varying periods. Mining, smelting and refining processes also rely on key inputs, for example fuel and electricity. Appropriate insurance can provide protection from some, but not all, of the costs that may arise from unforeseen events. Disruption to the supply of key inputs, or changes in their pricing, may have a material and adverse impact on the Group s costs, earnings and cash flows.

Rehabilitation

Costs associated with rehabilitating land disturbed during the mining process and addressing environmental, health and community issues are estimated and provided for based on the most current information available. However, there is a risk that estimates may be insufficient and/or further issues may be identified. Any underestimated or unidentified rehabilitation costs will reduce earnings and could materially and adversely affect the Group s financial results and cash flows.

Non managed operations

Rio Tinto cannot guarantee that local management of mining and processing assets where it does not have managerial control will comply with the Group s standards or objectives, nor that they continually maintain effective policies, procedures and controls, including disclosure and reporting controls, over their assets.

CAUTIONARY STATEMENT ABOUT FORWARD LOOKING STATEMENTS

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of the Rio Tinto Group. The words intend , aim , project , anticipate , estimate , plan , believes , expects , may , similar expressions, commonly identify such forward looking statements. Examples of forward looking statements in this Annual report include those regarding estimated reserves, anticipated production or construction commencement dates, costs, outputs and productive lives of

Back to Contents

Risk factors and cautionary statement continued

assets or similar factors. Forward looking statements involve known and unknown risks, uncertainties, assumptions and other factors set forth in this document that are beyond the Group s control. For example, future reserves will be based in part on market prices that may vary significantly from current levels. These may materially affect the timing and feasibility of particular developments. Other factors include the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, and activities by governmental authorities, such as changes in taxation or regulation, and political uncertainty.

In light of these risks, uncertainties and assumptions, actual results could be materially different from any future results expressed or implied by these forward looking statements. The Group does not undertake any obligation to publicly update or revise any forward looking statements, whether as a result of new information or future events. The Group cannot guarantee that its forward looking statements will not differ materially from actual results.

Back to Contents

About Rio Tinto

INTRODUCTION

Rio Tinto Limited and Rio Tinto plc operate as one business organisation, referred to, in this report as *Rio Tinto*, the *Rio Tinto Group* or, more simply, *the Group*. These collective expressions are used for convenience only since both Companies and the individual companies in which they directly or indirectly own investments are separate and distinct legal entities.

Limited , plc , Pty , Inc , Limitada , or SA has generally been omitted from Group company names, except to distinguish betw Rio Tinto plc and Rio Tinto Limited.

Financial data in United States dollars (US$) is derived from, and should be read in conjunction with, the Rio Tinto Group s consolidated financial statements which are in US$. In general, financial data in pounds sterling (£) and Australian dollars (A$) has been translated from the consolidated financial statements at the rates shown on page 153 and has been provided solely for convenience; exceptions arise where data, such as directors remuneration, can be extracted directly from source records. Certain key information has been provided in all three currencies on page 136.

Rio Tinto Group turnover, profit before tax and net earnings, and operating assets for 2002 and 2003 attributable to the Group s products and geographical areas, are shown in notes 26 and 27 to the Financial statements on pages 106 to 110. In the Operational review, operating assets and turnover are consistent with the financial information by business unit on pages 132 and 133.

The tables on pages 13 to 16 show production for 2001, 2002 and 2003 and include estimates of proved and probable reserves and mineral resources. The weights and measures used are mainly metric units; conversions into other units are shown on page 153. Words and phrases, often technical, have been used which have particular meanings; definitions of these terms are on pages 150 to 152.

AN OVERVIEW OF RIO TINTO

Rio Tinto is a leading international mining group, combining Rio Tinto plc and Rio Tinto Limited in a dual listed companies (DLC) structure as a single economic entity.

Nevertheless, both Companies remain legal entities with separate share listings and registers. Rio Tinto plc is incorporated in England and Wales and Rio Tinto Limited is incorporated in Australia.

Rio Tinto s international headquarters is in London whilst the Australian representative office in Melbourne provides support for operations, undertakes external and investor relations and fulfils statutory obligations there. For legal purposes, Rio Tinto s US agent is Shannon Crompton, Secretary of Rio Tinto s US holding companies, 8309 West 3595 South, Magna, Utah 84044. Investor relations in the US are provided by Makinson Cowell US Limited, One Penn Plaza, 250 W 34th St,

Suite 1935, New York, NY 10119.

Rio Tinto s address and telephone details are shown on the inside back cover of this report.

Objective, strategy and management structure

Rio Tinto s fundamental objective is to maximise the overall long term return to its shareholders by operating responsibly and sustainably in areas of proven expertise where the Group has competitive advantage. Its strategy is to maximise the net present value per share by investing in large, long life, cost competitive mines. Investments are driven by the quality of opportunity, not choice of commodity.

Rio Tinto s substantial mining interests are diverse both in geography and product. The Group consists of wholly and partly owned subsidiaries, joint ventures, associated companies and joint arrangements, the principal ones being listed in notes 31 to 34 of the Financial statements on pages 118 to 120.

Rio Tinto s management structure is designed to facilitate a clear focus on business performance and the Group s objective. The management structure, which is reflected in this report, is based on principal product and global support groups:

- Iron Ore
- Energy
- Aluminium
- Copper
- Diamonds
- Exploration, and
- Technology.

The chief executive of each group reports to the chief executive of Rio Tinto.

2003 FINANCIAL SUMMARY

On 31 December 2003, Rio Tinto plc had a market capitalisation of £16.5 billion (US$29.3 billion) and Rio Tinto Limited had a market capitalisation of A$18.6 billion (US$13.9 billion). The combined Group s market capitalisation in publicly held shares at the end of 2003 was US$38.0 billion.

At 31 December 2003, Rio Tinto had consolidated operating assets of US$15.8 billion; 56 per cent were located in Australia and New Zealand and 31 per cent in North America. Group turnover, or sales revenue, in 2003 was US$11.8 billion (or US$9.2 billion excluding Rio Tinto s share of joint ventures and associates turnover). Net earnings in 2003 were US$1,508 million.

History

Rio Tinto plc was formed in 1962 by the merger of two English companies, The Rio Tinto Company and The Consolidated Zinc Corporation. At the same time, the Australian interests of these two companies were also merged to form Rio Tinto Limited.

The Rio Tinto Company was formed in 1873 to mine ancient copper workings at Rio Tinto in southern Spain. The Consolidated Zinc Corporation was incorporated in 1905, initially to treat zinc bearing mine waste at Broken Hill, New South Wales, Australia.

Between 1962 and 1995, Rio Tinto plc and Rio Tinto Limited discovered important mineral deposits, developed major mining projects and also grew through acquisition. Their DLC merger in 1995 was structured to ensure that, as far as possible, the shareholders of both Companies are in substantially the same economic position as if they held shares in a single enterprise which owns all the Companies assets. A more detailed description of the DLC can be found on page 77.

Following the DLC merger, Rio Tinto has continued to invest in developments and acquisitions in keeping with its strategy.

RECENT DEVELOPMENTS

Share buybacks and issues 2003

In April 2003, Rio Tinto plc shareholders renewed approvals for the buyback of up to ten per cent of its own shares. Rio Tinto Limited is authorised by shareholder approvals obtained in 1999 to buy back up to 100 per cent of Rio Tinto Limited shares held by Tinto Holdings Australia Pty Limited (a wholly owned subsidiary of Rio Tinto plc) plus, on market, and up to ten per cent of the publicly held capital in any 12 month period.

Rio Tinto plc and Rio Tinto Limited will seek renewal of their existing shareholder approvals at their respective annual general meetings in 2004. The number of shares, if any, which may be bought back under these authorities will continue to be determined by the directors, based on what they consider to be in the best interests of the continuing shareholders.

In the year to 31 December 2003, neither Rio Tinto plc nor Rio Tinto Limited purchased any publicly held shares for cancellation in either Company. However, a further 1,192,702 Rio Tinto plc and 240,466 Rio Tinto Limited shares were issued in respect of the Companies employee share plans. During the year, options for a further 2,696,000 Rio Tinto plc and 1,627,000 Rio Tinto Limited shares were granted under Rio Tinto s share plans.

Share buybacks and issues 2001-2002

In 2001, 398,000 Rio Tinto plc and 10,000 Rio Tinto Limited shares were issued in connection with the completion of the acquisition of Ashton Mining.

An additional 681,000 Rio Tinto plc and 79,000 Rio Tinto Limited shares were issued in respect of the Companies employee share plans which were extended to subsidiary companies worldwide. In aggregate, approximately 24 per cent of eligible employees took out a savings contract for a fixed monthly amount over periods of up to five years and were granted options over 1.0 million Rio Tinto plc shares and 1.4 million Rio Tinto Limited shares.

Rio Tinto plc converted its share warrants

Back to Contents

About Rio Tinto continued

to bearer to registered ordinary shares in June 2001.

In 2002, a further 887,000 Rio Tinto plc and 360,000 Rio Tinto Limited shares were issued in respect of the Companies employee share plans and options were granted over 2.6 million Rio Tinto plc shares and 2.2 million Rio Tinto Limited shares.

During 2001-2002, neither Rio Tinto plc nor Rio Tinto Limited purchased any publicly held shares for cancellation in either Company.

Operations divested 2003

The sale of Rio Tinto s 25 per cent interest in Minera Alumbrera Limited in Argentina, together with its wholly owned Peak Gold mine in New South Wales, Australia, was completed in March 2003. Cash consideration was US$210 million.

On 21 July 2003 Rio Tinto and BP announced that they had agreed to sell their interests in Kaltim Prima Coal for a cash price of US$500 million, including assumed debt, to PT Bumi Resources, a public company listed on the Jakarta and Surabaya Stock Exchanges. The sale was completed on 10 October and each company received 50 per cent of the net proceeds.

Rio Tinto announced in late December the sale of its 100 per cent interest in the nickel mining and smelting company Mineração Serra da Fortaleza in Brazil. The final consideration, which is dependent on the forward nickel price, is expected to be at least US$90 million. The transaction was completed during January 2004.

Operations acquired and divested 2001 2002

In January 2001, Coal & Allied Industries acquired the Peabody Group s Australian coal businesses for US$455 million and the assumption of US$100 million in debt. Rio Tinto acquired an additional 1.83 per cent interest in Coal & Allied on market for US$15 million in March 2001.

In April 2001, Rio Tinto s 50 per cent share of the Norzink smelter was sold for an after tax gain of US$54 million.

Rio Tinto sold North Forest Products for US$171 million in May. Following a review, Rio Tinto also sold its 34.8 per cent interest in Aurora Gold as well as other minority interests acquired with Ashton Mining whilst increasing its interest in Ashton Mining of Canada to 63.8 per cent.

Rio Tinto s offer resulted in it purchasing, for US$56 million, units representing 20.3 per cent of the Labrador Iron Ore Royalty Income Fund (LIORF).

In July, Rio Tinto purchased additional shares in Palabora Mining, increasing its interest by some 0.7 per cent to 49.2 per cent.

Dampier Salt acquired Cargill Australia s Port Hedland operation for US$95 million and contingent performance payments not exceeding US$15 million in aggregate.

With effect from September 2001, Comalco acquired an additional 8.3 per cent in Queensland Alumina for US$189 million, taking its overall interest to 38.6 per cent. Rio Tinto acquired the Three Springs talc mine in Western Australia for US$28 million in the same month.

In January 2002, Kennecott Energy (KEC) purchased the North Jacobs Ranch coal reserves for US$380 million, payable in installments over a five year period. The reserves are adjacent to KEC s existing Jacobs Ranch operation and provide a basis for low cost expansion in line with market demand.

Following the purchase of outstanding units in the Western Australian Diamond Trust, Rio Tinto s interest in Argyle Diamonds increased from 99.8 per cent to 100 per cent.

In August, Comalco completed the acquisition of an additional 9.5 per cent interest in reduction lines 1 and 2 of the Boyne Island Smelter for US$78.5 million. This increased Comalco s share in lines 1 and 2 of the smelter to 59.5 per cent from 50 per cent. The interest in line 3 remained unchanged at 59.25 per cent.

During the first half of 2002, Coal & Allied completed the sale of its interest in the Moura Joint Venture for US$166 million and in Narama and Ravensworth for US$64 million. These were classified as assets held for resale and consequently their disposal had no effect on net earnings. In September, Rio Tinto acquired for cash in the market a further three per cent in Coal & Allied to bring its shareholding to 75.7 per cent.

As a result of a refinancing in December 2002, in which LIORF chose not to participate, Rio Tinto s interest in Iron Ore Company of Canada increased from 56.1 to 58.7 per cent.

Development projects 2003

Rio Tinto invested US$1.6 billion in 2003 on capital projects around the world.

The Diavik diamond project in the Northwest Territories, Canada, was completed well ahead of schedule and within budget. Initial production commenced from the contact zone above the orebody with the main orebody accessed during the second half of 2003.

Construction of the US$100 million second block cave at the underground Northparkes copper gold mine in New South Wales, Australia was delayed by ground control problems. Production from the first underground block cave ceased in early 2003 to be replaced by the Lift 2 block cave which is expected to commence production in 2004.

Production ramp up at Palabora s US$460 million underground copper mine in South Africa was constrained by an inability to clear drawpoints blocked by poorly fragmented, large rocks. Further work resulted in design capacity of 30,000 tonnes per day being reached intermittently by the end of 2003.

Development of the Escondida Norte satellite deposit at the 30 per cent owned Escondida copper mine in Chile was started

in June 2003 to provide mill feed to keep Escondida s capacity above 1.2 million tonnes of copper per year to the end of 2008. First production is expected by the end of 2005. Commissioning of the new US$1,045 million, 110,000 tonnes of ore per day Laguna Seca concentrator was completed in the second quarter of 2003.

Expansion of the Weipa bauxite mine in Queensland, Australia, is underway to increase production capacity to 16.5 million tonnes per year in support of the requirements of the new Comalco Alumina Refinery. A key component of the US$150 million expenditure is a 9.5 million tonne beneficiation plant to allow mining of lower grade ores. The project is expected to be completed in 2004.

Construction of Comalco s
US$750 million alumina refinery at Gladstone, Queensland, proceeds on schedule with US$576 million spent to date. Initial shipments from the 1.4 million tonne per year plant are expected in early 2005. Options exist to expand capacity to more than four million tonnes per year.

Pacific Coal completed development of the US$255 million Hail Creek coking coal project in Queensland, Australia with a capacity of 5.5 million tonnes annually.

Construction began in January 2003 on an expanded US$200 million HIsmelt® plant at Kwinana in Western Australia. The plant is expected to be commissioned in late 2004 and reach full production of 800,000 tonnes of iron per year in the first half of 2006.

Development of the 54 per cent owned Eastern Range iron ore mine with a capacity of ten million tonnes per year continued. First shipments are expected in the first half of 2004.

In the first quarter of 2003, Freeport Indonesia completed an expansion to 35,000 tonnes of ore per day of its Deep Ore Zone (DOZ) project at a cost of US$34 million.

Kennecott Land s Project Daybreak in Utah, US, a mixed use land development on a 1,800 hectare site, was commenced in 2003 with land sales planned to start in 2004 and ramp up over a period of five to six years.

A major US$920 million expansion of Hamersley Iron s Dampier port and Yandicoogina mine in Western Australia was announced during December 2003. Further detail on these investments and projects is provided in the Operational review on pages 37 to 56.

Development projects have been funded using the US commercial paper market, the 2003 bond issue, the European medium term note facility and internally generated funds.

Development projects 2001 2002

In the US, Kennecott Utah Copper closed its North Concentrator in December 2001.

Work on the Robe River Joint Venture s US$450 million West Angelas iron ore mine and port facilities in Western Australia was completed in mid 2002 and the first shipments were made. The mine is expected

Back to Contents

to be operating at an annualised rate of 20 million tonnes by the end of the first quarter of 2004, two years earlier than originally scheduled. The Robe River partners agreed to share rail infrastructure with Hamersley Iron.

Freeport Indonesia s Deep Ore Zone (DOZ) underground block cave project was declared fully operational from 1 October, 2002. This achieved design capacity of 25,000 tonnes of ore per day in 2002, a year earlier than originally projected.

Pacific Coal began development of the Hail Creek coking coal project in Queensland, Australia.

BUSINESS ENVIRONMENT AND MARKETS

Overview

The world economy continued its uncertain recovery in 2003, global output rising 3.3 per cent, slightly more than the three per cent of 2002. The volume of world trade grew at around three per cent, similar to the rate achieved in 2002, but well below the six per cent average of the previous 20 years.

The year began slowly with uncertainties over the strength of the US economy and mounting concerns over the possible impact of a war with Iraq causing growth in OECD countries to stall. Successive US interest rates cuts, coupled with tax cuts and the conclusion of the war in April, helped to reverse the trend, producing a very much stronger second half of the year.

Low interest rates in particular helped boost the housing market and support US consumer spending. The renewed strength of US demand, however, aggravated the country s already sizeable current account imbalance and pushed down the US dollar, particularly against the euro and against the currencies of commodity producing countries such as Australia, Canada and South Africa.

The economies of Europe and Japan followed a similar pattern to that of the US, only in a weaker form and with a lag. Growth in the euro zone was restrained by the maintenance of a relatively tight economic policy environment and by the impact on export growth of the strong euro. Germany, the largest economy in Europe, recorded three negative quarters of growth up to the middle of 2003 and, for the year as a whole, failed to grow at all. Like Europe, Japan also suffered from weak domestic demand although in contrast to Europe its exports enjoyed the benefits of strong import demand from China. Japan s GDP for the year as a whole rose a surprisingly robust 2.3 per cent.

Much the most dynamic market during the year was China. Despite suffering the disruptive effects of an outbreak of Severe Acute Respiratory Syndrome (SARS) through the second quarter, China bounced back to record another remarkable year of economic growth. Lifted by high levels of investment and rapidly growing exports, GDP grew nine per cent while industrial production was up 17 per cent. The emphasis of China s growth on materials intensive sectors of industry and construction resulted in the demand for a number of metals, including steel, copper and aluminium, rising by over 20 per cent during the year.

With China providing a consistent underpinning of global demand for mineral commodities, the gradual recovery in demand in the OECD countries during the second half of the year produced a quickening of the pace in commodity markets, leading them to end the year on a generally high note.

The market for seaborne iron ore enjoyed another strong year, its fourth successive year of growth, assisted by a 33 per cent increase in China s ore imports. After producers achieved a price increase of around nine per cent during the annual contract negotiations in May, the market continued to tighten. The high level of deliveries also created acute pressures in the market for bulk shipping resulting in record freight rates.

The seaborne market for steam coal started the year more slowly and contract prices in the Asian market were reduced for the second year in succession. As the year progressed, however, market conditions began to improve and by the fourth quarter, with the strength of domestic demand restricting China s capacity to export, spot prices surged ahead of contract levels.

With demand concentrated more heavily on the more mature economies, the market for industrial minerals such as borates and titanium dioxide did not experience the full benefit of China s robust economic performance. Although the second half of the year represented an improvement on the first, rates of demand growth generally fell short of those achieved by metals.

Responding to the broader trends of the global economy, the markets for non ferrous metals stalled in their upward course during March and April, before climbing from May through to the end of the year. Firming demand and declining stocks helped underpin this shift in the market, but prices also appear to have been boosted by fund buying in anticipation of future economic growth and US dollar weakness.

Global demand for copper increased around four per cent during 2003, China being by far the world s strongest market. With mine output restrained by the low level of investment in recent years, refined metal production was unable to respond to rising demand and metal stocks fell around 300,000 tonnes. Spot prices trended upwards for most of the year, achieving an average of 80.7 US cents a pound for the year as a whole compared to 70.6 US cents in 2002.

Demand growth for aluminium in 2003, at eight per cent, was even more buoyant than that for copper. However, strong Chinese production of aluminium meant that the market did not experience copper s deficits. Price growth for aluminium was accordingly more subdued, an average spot price of

65 US cents per pound compared with 61 US cents per pound in 2002. The spot price for alumina, the raw material for producing aluminium, rose very sharply during the year and by the end of the year a shortage of alumina was beginning to constrain world metal output.

Like non ferrous metals, gold felt the effects of growing speculative influences and the weakening of the US dollar. Prices rose through much of the year. The average price for the year was US$363 per ounce, compared with US$309 in 2002. Also helping to support prices, a number of gold producers who had previously hedged their gold sales bought back their positions, effectively adding to gold demand.

A discussion of the financial results for the three years to 31 December 2003 is given in the Financial review on pages 32 to 36. Comments on the financial performance of the individual product groups for the three years to 31 December 2003 are included in the Operational review on pages 37 to 56. Details of production, reserves and resources, and information on Group mines are given on pages 13 to 24 and 26 to 31, respectively. Analyses of Rio Tinto s revenues by product group, geographical origin and geographical destination have been set out in Financial information by business unit on page 132 and note 27 to the Financial statements on pages 108 to 110.

Marketing channels

Each business within each product group is responsible for the marketing and sale of their respective metal and mineral production. Rio Tinto therefore has numerous marketing channels, which now include electronic marketplaces, with differing characteristics and pricing mechanisms.

In general, Rio Tinto s businesses contract their metal and mineral production direct to end users under long term supply contracts and at prevailing market prices. Typically, these contracts specify annual volume commitments and an agreed mechanism for determining prices, for example, businesses producing non ferrous metals and minerals reference their sales prices to the London Metal Exchange (LME) or other metal exchanges such as the Commodity Exchange Inc (Comex) in New York. Fluctuations in these prices, particularly for aluminium, copper and gold, inevitably affect the Group s financial results.

Businesses producing iron ore would typically reference their sales prices to annually negotiated industry benchmarks. In markets where international reference market prices do not exist or are not transparent, businesses negotiate product prices on an individual customer basis.

Rio Tinto s marketing channels include a network of regional sales offices worldwide. Some products in certain geographical markets are sold via third party agents or to major trading companies.

Back to Contents

About Rio Tinto continued

Governmental regulations

Rio Tinto is subject to extensive governmental regulations that affect all aspects of its operations, and consistently seeks to apply best practice in all of its activities. Due to Rio Tinto s product and geographical spread, there is unlikely to be any single governmental regulation that could have a material effect on the Group s business.

Native title has, since 1992, been accepted as a part of Australia s common law. The Native Title Act 1993 provides, amongst other things, a framework for the validation of title, including mining tenements, that might be affected by the existence of native title; the determination of native title claims; a right to negotiate process with respect to the grant of new exploration and mining tenements and certain compulsory acquisitions of land; and the negotiation and registration of indigenous land use agreements.

US based operations are subject to local environmental legislation.

The South African Department of Mines has published a scorecard by which companies will be judged on their progress with black economic empowerment and the attainment, for value, of the target for 26 per cent ownership in ten years. In addition, new royalty payments are to be introduced that will be calculated on a gross sales value basis in relation to any minerals extracted.

Back to Contents

Metals and minerals production

			2001	Production (a)	2002	Production (a)	**2003**	**Production (a)**
		Rio Tinto % share (b)	Total	Rio Tinto share	Total	Rio Tinto share	**Total**	**Rio Tinto share**
ALUMINA (000 tonnes)								
Eurallumina (Italy)		56.2	993	557	1,010	567	**1,021**	**573**
Queensland Alumina (Australia) (c)		38.6	3,624	1,204	3,574	1,380	**3,731**	**1,440**
Rio Tinto total				1,761		1,947		**2,014**
ALUMINIUM (refined) (000 tonnes)								
Anglesey (UK)		51.0	139.3	71.0	139.3	71.1	**144.8**	**73.9**
Bell Bay (Australia)		100.0	160.8	160.8	163.9	163.9	**166.6**	**166.6**
Boyne Island (Australia) (d)		59.4	508.9	277.5	520.2	294.6	**520.9**	**311.1**
Tiwai Point (New Zealand)		79.4	322.3	256.2	333.9	265.9	**334.4**	**266.5**
Rio Tinto total				765.6		795.4		**818.1**
BAUXITE (000 tonnes)								
Boké (Guinea)		4.0	11,987	469	12,041	482	**12,060**	**418**
Weipa (Australia)		100.0	11,326	11,326	11,241	11,241	**11,898**	**11,898**
Rio Tinto total				11,795		11,724		**12,316**
BORATES (000 tonnes) (e)								
Boron mine (US)		100.0	549	549	514	514	**541**	**541**
Borax Argentina (Argentina)		100.0	14	14	15	15	**17**	**17**
Rio Tinto total				564		528		**559**
COAL (000 tonnes)								
Coal & Allied Industries (f)								
Bengalla (Australia) (g)	SC	30.3	4,894	1,418	5,385	1,587	**6,203**	**1,879**
Hunter Valley Operations (Australia)	SC	75.7	8,209	5,945	9,183	6,756	**9,146**	**6,925**
	MC	75.7	4,034	2,913	3,442	2,531	**2,862**	**2,167**
Mount Thorley Operations (Australia)	SC	60.6	2,376	1,373	2,465	1,451	**1,720**	**1,042**
	MC	60.6	2,171	1,255	1,827	1,073	**1,432**	**868**
Moura (Australia) (g)	SC		2,175	867	1,018	407		
	MC		2,713	1,080	1,381	552		
Narama (Australia) (g)	SC		2,177	789	370	135		
Ravensworth East (Australia) (g)	SC		1,511	1,096	387	281		
Warkworth (Australia) (g)	SC	42.1	5,141	2,070	6,314	2,586	**5,369**	**2,259**
	MC	42.1	550	221	568	231	**500**	**210**
Total Coal & Allied Industries				19,026		17,590		**15,348**
Rio Tinto Coal Australia (h)								

Blair Athol (Australia)	SC	71.2	10,592	7,546	11,809	8,412	**12,480**	**8,890**
Hail Creek Coal (Australia)	MC	92.0					**883**	**812**
Kestrel Coal (Australia)	SC	80.0	1,202	962	1,685	1,348	**1,449**	**1,159**
	MC	80.0	2,068	1,654	2,406	1,925	**1,873**	**1,499**
Tarong Coal (Australia)	SC	100.0	5,276	5,276	5,685	5,685	**6,538**	**6,538**
Total Rio Tinto Coal Australia				15,437		17,370		**18,898**
Total Australian coal				34,464		34,960		**34,246**
Kaltim Prima Coal (Indonesia) (i)	SC	0.0	15,611	7,806	17,740	8,870	**12,655**	**6,327**
Kennecott Energy								
Antelope (US)	SC	100.0	22,344	22,344	24,319	24,319	**26,806**	**26,806**
Colowyo (US)	SC	(j)	5,231	5,231	4,889	4,889	**4,535**	**4,535**
Cordero Rojo (US)	SC	100.0	39,452	39,452	34,724	34,724	**32,671**	**32,671**
Decker (US)	SC	50.0	8,510	4,255	9,021	4,511	**7,358**	**3,679**
Jacobs Ranch (US)	SC	100.0	26,612	26,612	28,784	28,784	**32,418**	**32,418**
Spring Creek (US)	SC	100.0	8,767	8,767	8,093	8,093	**8,069**	**8,069**
Total US coal				106,661		105,320		**108,177**
Rio Tinto total				148,930		149,149		**148,750**

Coal type: SC steam/thermal coal, MC metallurgical/coking coal.

See notes on page 16.

Back to Contents

Metals and minerals production continued

		2001 Production (a)		2002 Production (a)		**2003 Production (a)**	
	Rio Tinto % share (b)	Total	Rio Tinto share	Total	Rio Tinto share	**Total**	**Rio Tinto share**
COPPER (mined) (000 tonnes)							
Alumbrera (Argentina) (k)	0.0	191.6	47.9	203.7	50.9	**34.9**	**8.7**
Bingham Canyon (US)	100.0	312.7	312.7	260.2	260.2	**281.8**	**281.8**
Escondida (Chile)	30.0	774.8	232.4	754.5	226.3	**992.7**	**297.8**
Grasberg FCX (Indonesia) (l)	11.8	513.5	93.5	494.4	107.5	**444.1**	**84.5**
Grasberg Joint Venture (Indonesia) (l)	40.0	235.9	94.4	370.0	148.0	**271.7**	**108.7**
Neves Corvo (Portugal)	49.0	82.9	40.6	77.2	37.8	**77.5**	**38.0**
Northparkes (Australia)	80.0	55.1	44.1	38.4	30.7	**27.1**	**21.7**
Palabora (South Africa) (m)	49.2	78.4	38.4	52.2	25.7	**52.4**	**25.8**
Rio Tinto total			904.1		887.1		**867.0**
COPPER (refined) (000 tonnes)							
Atlantic Copper (Spain) (l)	13.1	235.3	39.1	250.5	41.5	**247.1**	**38.1**
Escondida (Chile)	30.0	151.0	45.3	138.7	41.6	**147.6**	**44.3**
Kennecott Utah Copper (US)	100.0	234.3	234.3	293.7	293.7	**230.6**	**230.6**
Palabora (South Africa) (m)	49.2	86.9	42.5	81.6	40.2	**73.4**	**36.1**
Rio Tinto total			361.2		416.9		**349.1**
DIAMONDS (000 carats)							
Argyle (Australia) (n)	100.0	26,097	26,045	33,519	33,503	**30,910**	**30,910**
Diavik (Canada)	60.0					**3,833**	**2,300**
Merlin (Australia)	100.0	55	55	117	117	**62**	**62**
Rio Tinto total			26,100		33,620		**33,272**
GOLD (mined) (000 ounces)							
Alumbrera (Argentina) (k)	0.0	672	168	754	188	**124**	**31**
Barneys Canyon (US)	100.0	140	140	75	75	**35**	**35**
Bingham Canyon (US)	100.0	592	592	412	412	**305**	**305**
Cortez/ Pipeline (US)	40.0	1,188	475	1,082	433	**1,085**	**434**
Escondida (Chile)	30.0	101	30	126	38	**184**	**55**
Grasberg FCX (Indonesia) (l)	11.8	1,397	388	1,375	355	**1,456**	**354**
Grasberg Joint Venture (Indonesia) (l)	40.0	2,199	880	1,655	662	**1,806**	**722**
Greens Creek (US)	70.3	88	62	103	72	**99**	**70**
Kelian (Indonesia)	90.0	453	408	539	485	**469**	**422**
Lihir (Papua New Guinea) (o)	14.5	648	105	607	99	**551**	**88**
Morro do Ouro (Brazil)	51.0	187	95	225	115	**201**	**103**
Northparkes (Australia)	80.0	41	33	41	33	**49**	**39**
Peak (Australia) (k)	0.0	101	101	97	97	**20**	**20**
Rawhide (US)	51.0	101	52	82	42	**64**	**32**
Rio Tinto Zimbabwe (Zimbabwe)	56.0	67	38	38	21	**25**	**14**
Others		20	10	17	8	**14**	**7**
Rio Tinto total			3,577		3,135		**2,731**

GOLD (refined) (000 ounces)							
Kennecott Utah Copper (US)	100.0	389	389	488	488	**308**	**308**
IRON ORE (000 tonnes)							
Channar (Australia)	60.0	11,088	6,653	10,594	6,356	**10,347**	**6,208**
Corumbá (Brazil)	100.0	642	642	858	858	**1,074**	**1,074**
Hamersley (Australia)	100.0	58,828	58,828	57,563	57,563	**63,056**	**63,056**
Iron Ore Company of Canada (Canada) (p)	58.7	14,562	8,169	12,758	7,168	**14,225**	**8,353**
Robe River (Australia)	53.0	30,706	16,274	35,860	19,006	**45,136**	**23,922**
Rio Tinto total			90,566		90,951		**102,613**

See notes on page 16.

Back to Contents

			2001 Production (a)		2002 Production (a)		**2003 Production (a)**
	Rio Tinto % share (b)	Total	Rio Tinto share	Total	Rio Tinto share	**Total**	**Rio Tinto share**
LEAD (000 tonnes)							
Greens Creek (US)	70.3	20.3	14.3	22.3	15.7	**22.5**	**15.8**
Zinkgruvan (Sweden)	100.0	24.5	24.5	24.7	24.7	**31.8**	**31.8**
Rio Tinto total			38.8		40.4		**47.6**
MOLYBDENUM (000 tonnes)							
Bingham Canyon (US)	100.0	8.1	8.1	6.1	6.1	**4.6**	**4.6**
NICKEL (mined) (000 tonnes)							
Fortaleza (Brazil) (q)	100.0	10.2	10.2	6.3	6.3	**6.0**	**6.0**
NICKEL (refined) (000 tonnes)							
Empress (Zimbabwe)	56.0	6.6	3.7	6.4	3.6	**6.2**	**3.5**
SALT (000 tonnes)							
Dampier Salt (Australia) (r)	64.9	6,541	4,248	7,186	4,667	**7,135**	**4,633**
SILVER (mined) (000 ounces)							
Bingham Canyon (US)	100.0	4,475	4,475	3,663	3,663	**3,548**	**3,548**
Escondida (Chile)	30.0	3,198	959	2,981	894	**4,728**	**1,418**
Grasberg FCX (Indonesia) (l)	11.8	3,943	700	3,795	804	**3,659**	**745**
Grasberg Joint Venture (Indonesia) (l)	40.0	1,602	641	2,607	1,043	**2,815**	**1,126**
Greens Creek (US)	70.3	10,964	7,703	10,912	7,668	**11,707**	**8,226**
Zinkgruvan (Sweden)	100.0	1,496	1,496	1,554	1,554	**1,841**	**1,841**
Others		3,378	1,729	3,231	1,582	**2,511**	**1,407**
Rio Tinto total			17,703		17,207		**18,311**
SILVER (refined) (000 ounces)							
Kennecott Utah Copper (US)	100.0	2,882	2,882	4,037	4,037	**2,963**	**2,963**
TALC (000 tonnes)							
Luzenac Group (Australia/Europe/N. America) (s)	99.9	1,268	1,267	1,328	1,327	**1,358**	**1,357**
TIN (tonnes)							
Neves Corvo (Portugal)	49.0	1,201	588	345	169	**203**	**100**
TITANIUM DIOXIDE FEEDSTOCK (000 tonnes)							
Rio Tinto Iron & Titanium (Canada/South Africa) (t)	100.0	1,427	1,427	1,274	1,274	**1,192**	**1,192**
URANIUM (tonnes U_3O_8)							
Energy Resources of Australia (Australia)	68.4	4,211	2,880	4,486	3,068	**5,134**	**3,512**
Palabora (South Africa) (m) (u)	49.2	31	15				

Rössing (Namibia)	68.6	2,640	1,811	2,751	1,887	**2,401**	**1,647**
Rio Tinto total			4,705		4,955		**5,158**
ZINC (mined) (000 tonnes)							
Greens Creek (US)	70.3	58.0	40.7	66.5	46.7	**69.1**	**48.5**
Zinkgruvan (Sweden)	100.0	61.8	61.8	48.0	48.0	**64.5**	**64.5**
Rio Tinto total			102.5		94.7		**113.0**
ZINC (refined) (000 tonnes)							
Norzink (Norway) (v)	0.0	40.9	20.4				

See notes on page 16.

Back to Contents

Metals and minerals production continued

Production data notes

(a) Mine production figures for metals refer to the total quantity of metal produced in concentrates or doré bullion irrespective of whether these products are then refined onsite, except for the data for iron ore and bauxite which represent production of saleable quantities of ore.

(b) Rio Tinto percentage share, shown above, is as at the end of 2003 and has applied over the period 2001 2003 except for those operations where the share has varied during the year and the weighted average for them is shown below. The Rio Tinto share varies at individual mines and refineries in the others category and thus no value is shown.

Rio Tinto share %

Operation	See note	2001	2002	**2003**
Atlantic Copper	(l)	16.6	16.5	**15.4**
Argyle	(n)	99.8	99.9	**100.0**
Bengalla	(f) (g)	29.0	29.4	**30.3**
Boyne Island	(d)	54.2	56.6	**59.4**
Grasberg	(l)	14.3	15.0	**13.9**
Hunter Valley Operations	(f)	72.4	73.6	**75.7**
Iron Ore Company of Canada	(p)	56.1	56.2	**58.7**
Lihir	(o)	16.3	16.3	**16.0**
Mount Thorley Operations	(f)	57.8	58.9	**60.6**
Moura	(f) (g)	39.9	40.0	
Narama	(f) (g)	36.2	36.4	
Palabora	(m)	49.0	49.2	**49.2**
Queensland Alumina	(c)	33.2	38.6	**38.6**
Ravensworth East	(f) (g)	72.5	72.7	
Warkworth	(f) (g)	40.3	41.2	**42.1**

(c) Rio Tinto increased its holding in Queensland Alumina Limited from 30.3 per cent to 38.6 per cent, with effect from September 2001.

(d) Rio Tinto acquired an approximately five per cent additional interest in production from the Boyne Island smelter with effect from August 2002.

(e) Borate quantities are expressed as B_2O_3.

(f) Rio Tinto increased its stake in Coal & Allied Industries from 70.9 per cent to 72.7 per cent during March 2001 and to 75.7 per cent during September 2002.

(g) Production data are shown from 29 January 2001, the effective date of Coal & Allied s acquisition of the Australian coal businesses of the Peabody Group. Effective on the same date, Coal & Allied acquired an additional 11.8 per cent interest in the Warkworth mine.
On 14 March 2002, Coal & Allied completed the sale of its interests in Narama and Ravensworth. Coal & Allied sold its interest in the Moura coal mine with effect from 24 May 2002. Production data are shown up to the dates of sale.

(h) Rio Tinto Coal Australia was previously known as Pacific Coal.

(i) Rio Tinto had a 50 per cent share in Kaltim Prima Coal and, under the terms of its Coal Agreement, the Indonesian Government was entitled to a 13.5 per cent share of Kaltim Prima s production. Rio Tinto s share of production shown is before deduction of the Government share. Rio Tinto completed the sale of its interest in Kaltim Prima Coal on 10 October 2003. Production data are shown up to the date of sale.

(j) Kennecott Energy has a partnership interest in the Colowyo mine but, as it is responsible under a management agreement for the operation of the mine, all of Colowyo s output is included in Rio Tinto s share of production.

(k) Rio Tinto completed the sale of its 25 per cent interest in Minera Alumbrera together with its wholly owned Peak Gold Mine on 17 March 2003. Production data are shown up to the date of sale.

(l) Through its interest in Freeport-McMoRan-Copper & Gold (FCX), Rio Tinto had, as of 31 December 2003, an 11.8 per cent share in the Grasberg mine and a 13.1 per cent share in Atlantic Copper. Through a joint venture agreement with FCX, Rio Tinto is entitled, as shown separately in the above tables, to 40 per cent of additional material mined as a consequence of the expansion of the Grasberg facilities since 1998.

(m) Rio Tinto increased its interest in Palabora Mining Company from 48.6 per cent to 49.2 per cent in July 2001.

(n) Rio Tinto acquired control of Ashton Mining Limited in late 2000 and as a result of this purchase, Rio Tinto s effective interest in Argyle Diamonds became 99.8 per cent. Rio Tinto s interest in Argyle Diamonds subsequently increased from 99.8 per cent to 100 per cent on 29 April 2002, following the purchase of the outstanding units in the Western Australian Diamond Trust.

(o) Following a placement of shares on the 13 November 2003, Rio Tinto s interest in Lihir moved from 16.3 per cent to 14.5 per cent.
(p) Rio Tinto increased its shareholding in Iron Ore Company of Canada from 56.1 per cent to 58.7 per cent on 20 December 2002.
(q) Rio Tinto completed the sale of its 100 per cent interest in the Fortaleza nickel mine on 16 January 2004.
(r) Production from the Port Hedland operation (Dampier Salt 100 per cent) is included from 17 August 2001.
(s) Talc production includes some products derived from purchased ores. The Three Springs talc mine in Western Australia was acquired in September 2001 and is included in the data from that date.
(t) Quantities comprise 100 per cent of QIT and 50 per cent of Richards Bay Minerals production.
(u) Uranium production at Palabora ceased with the closure of the heavy minerals plant in August 2001.
(v) Rio Tinto completed the sale of its interest in Norzink on 17 April 2001.

Back to Contents

Ore reserves

Ore Reserves and Mineral Resources in this report (for Rio Tinto managed operations) are reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves, September 1999 (the JORC Code) as required by the Australian Stock Exchange (ASX). Codes or Guidelines similar to JORC with only minor regional variations have been adopted in South Africa, Canada, US, UK, Ireland and Europe and together these represent current best practice for reporting Ore Reserves and Mineral Resources.

The JORC Code envisages the use of reasonable investment assumptions, including the use of projected long term commodity prices, in calculating reserve estimates. However, during 2003 the US Securities and Exchange Commission indicated that for US reporting, historical price data should be used. Only certain operations are affected by this guidance and resulting changes to reserves are shown on page 147.

Ore Reserve and Mineral Resource information in the tables below is based on information compiled by Competent Persons (as defined by JORC), or recognised overseas mining professionals as defined by the ASX, most of whom are full time employees of Rio Tinto or related companies. Each has had a minimum of five years relevant estimation experience and is a member of a recognised professional body whose members are bound by a professional code of ethics. Each Competent Person consents to the inclusion in this report of information they have provided in the form and context in which it appears. A register of the names of the Competent Persons who are responsible for the estimates is maintained by the company secretaries in London and Melbourne and is available on request.

The ore reserve figures in the following tables are as of 31 December 2003. Summary data for year end 2002 are shown for comparison. Metric units are used throughout. The figures used to calculate Rio Tinto's share of reserves are often more precise than the rounded numbers shown in the tables, hence small differences might result if the calculations are repeated using the tabulated figures.

	Type of mine (a)	Proved ore reserves at end 2003		Probable ore reserves at end 2003		Total ore reserves 2003 compared with 2002		F
		Tonnage	Grade	Tonnage	Grade	Tonnage		Interest
						2003	2002	%
BAUXITE (b)		millions of tonnes		millions of tonnes		**millions of tonnes**	millions of tonnes	
Reserves at operating mine								
Weipa (Australia) (c)	O/P	138		1,074		**1,212**	730	100.0
BORATES (d)		millions of tonnes		millions of tonnes		**millions of tonnes**	millions of tonnes	
Reserves at operating mines								
Boron (US)	O/P	24.3		5.3		**29.6**	30.5	100.0
Tincalayu (Argentina) (e)	O/P	0.2		0.1		**0.3**	0.1	100.0
Total								

COAL (f)		Coal type (g)	Recoverable reserves total	% Yield to give marketable reserves	Proved	Probable	Total 2003	Total 2002	Marketable coal quality (h)	Marketable coal quality (h)	
					Marketable reserves						
Reserves at operating mines			millions of tonnes		millions of tonnes	millions of tonnes	**millions of tonnes**	millions of tonnes	**Calorific value MJ/kg**	**Sulphur content %**	
Coal & Allied Industries											
Bengalla (Australia)	O/C	SC	204	81	104	62	**166**	185	**28.30**	**0.50**	30.3
Hunter Valley Operations (Australia)	O/C	SC+MC	465	70	249	77	**326**	352	**28.90**	**0.59**	75.7
Mount Thorley Operations (Australia)	O/C	SC+MC	42	64	27		**27**	30	**28.20**	**0.53**	60.6
Warkworth (Australia)	O/C	SC+MC	332	65	216		**216**	213	**29.35**	**0.53**	42.1
Sub-total											
Kaltim Prima											
Sangatta (Indonesia) (i)	O/C	SC						383			
Kennecott Energy											
Antelope (US)	O/C	SC	260	100	260		**260**	297	**20.59**	**0.23**	100.0
Colowyo (US) (j)	O/C	SC	28	100	28		**28**	106	**24.42**	**0.41**	100.0
Cordero Rojo (US)	O/C	SC	402	100	402		**402**	444	**19.59**	**0.30**	100.0
Decker (US)	O/C	SC	45	100	45		**45**	55	**22.11**	**0.42**	50.0
Jacobs Ranch (US)	O/C	SC	531	100	531		**531**	581	**20.31**	**0.47**	100.0
Spring Creek (US)	O/C	SC	250	100	250		**250**	258	**21.75**	**0.33**	100.0
Sub-total											
Rio Tinto Coal Australia (k)											
Blair Athol (Australia)	O/C	SC	65	100	66		**66**	78	**27.95**	**0.32**	71.2
Hail Creek (Australia) (l)	O/C	MC	310	63	116	80	**196**	148	**32.20**	**0.35**	92.0
Kestrel (Australia)	U/G	SC+MC	153	80	47	76	**123**	127	**32.20**	**0.65**	80.0
Tarong-Meandu (Australia)	O/C	SC	146	69	93	7	**100**	115	**21.05**	**0.30**	100.0
Sub-total											

Total reserves at operating mines

See notes on page 21.

Back to Contents

Ore reserves continued

COAL CONTINUED (f)	Type of mine (a)	Coal type (g)	Recoverable reserves total	%Yield to give marketable reserves	Proved	Probable	Total 2003	Total 2002	(h)	(h)	Interest %	Marketable reserves
					Marketable reserves				Marketable coal quality		Rio Tinto share	
			millions of tonnes		millions of tonnes	millions of tonnes	**millions of tonnes**	millions of tonnes	**Calorific value**	**Sulphur content**		**millions of tonnes**
Other undeveloped reserves	(m)								**MJ/kg**	**%**		
Coal & Allied Industries												
Maules Creek (Australia)	O/C	SC+MC	160	73		117	**117**	117	**29.90**	**0.40**	75.7	**89**
Mount Pleasant (Australia) (n)	O/C	SC	459	76	306	44	**350**	285	**26.73**	**0.51**	75.7	**265**
Oaklands (Australia)	O/C	SC	400	100		400	**400**	400	**20.90**	**0.25**	75.7	**303**
Sub-total												**656**
Kaltim Prima												
Bengalon (Indonesia) (i)	O/C	SC						169				
Rio Tinto Coal Australia (k)												
Clermont (Australia)	O/C	SC	192	97	186		**186**	186	**27.90**	**0.33**	50.1	**93**
SW Yarraman (Australia)	O/C	SC	54	76		41	**41**	41	**21.05**	**0.30**	100.0	**41**
Tarong-Kunioon (Australia)	O/C	SC	257	63		163	**163**	163	**21.05**	**0.30**	100.0	**163**
Valeria (Australia) (o)	O/C	SC						88				
Sub-total												**297**
Total undeveloped reserves												**954**

	Proved ore reserves at end 2003	Probable ore reserves at end 2003	Total ore reserves 2003 compared with 2002	Rio Tinto share
&nbs				